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*The Department of State*

# bulletin

Vol. XXVII, No. 609

September 8, 1951



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VOL. XXVII, No. 689 • PUBLICATION 4701

September 8, 1952

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.*

*Publications of the Department, as well as legislative material in the field of international relations, are listed currently.*

For sale by the Superintendent of Documents  
U.S. Government Printing Office  
Washington 25, D.C.

PRICE:  
52 issues, domestic \$7.50, foreign \$10.25  
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 22, 1952).

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## CRUSADE OF IDEAS

by Wilson Compton

Administrator, U.S. International Information Administration<sup>1</sup>

I AM GLAD for this occasion which has brought me here today to meet with you in a State which has been my second home for more than 50 years. I want to discuss some urgent public problems with you. Also, quite frankly, I want your help in solving them. The voice of America has been called the greatest pulpit in the world for the preaching of democracy. If so, I am asking you to share it with me. I speak to you not as a professional publicist, nor as a professional Foreign Service officer, nor as a professional diplomat, but merely as an American citizen, proud of his country and wishing to help preserve for his grandchildren and yours the "promise of American life."

One hundred and seventy-five years ago an American patriot, Thomas Paine, said: "These are times that try men's souls." I have often pondered that statement as you have pondered it. I have reflected on the events which have occurred in our time—two world conflagrations in which we had to fight to preserve our freedom in the hope of a just and lasting peace. Seven years ago, after the last of the great powers to oppose us in World War II had laid down their arms a half a world away, we thought peace had come. Now it is clear that the ideals for which American boys and their comrades fought and died have not been won. Today 800 million people are captive behind a wall of tyranny and fear—prisoners in part of propaganda, in Russia, Eastern Europe, and China. Another billion, many of whom are

war-ravaged and destitute, lie barely outside the wall which separates them from servitude to a ruthless state.

No thoughtful person who looks at the world today can be complacent. No man can take comfort in turning his back on grim realities. In every crisis of our national history, our courage has been tested, our patience tried, our resources strained. But this is different. These times also try men's pocketbooks, but, more than that, they try men's faith.

The present-day facts of international life require as much American heroism, as much Yankee courage, and as much patriotic devotion as has ever been required of the people of this country from the days when our forefathers fought for independence. So I am grateful for the opportunity to talk to you today—to you who so valiantly have defended your country in war and who now are so actively working for peace.

### Present World Crisis

A world crisis is upon us because of the lust for conquest of a mighty imperialist power bent on aggression. Ruthless international communism threatens the roots of free civilization and the moral and spiritual foundations upon which it is based. We face an aggressor, who, not content with robbing men of their material wealth, seeks to rob men of their souls, an aggressor who disclaims religion, denies human dignity, makes of men not the masters but the servants of the state. We are engaged in a mighty contest between world faith and world fear.

War veterans understand the implications of the world crisis. You have not been content with mere exhortations that we must win the peace

<sup>1</sup>Address made before the Annual Convention of AMVETS at Grand Rapids, Mich., on Aug. 29 and released to the press (no. 673) on the same date. Also printed as Department of State publication 4696.

without another war. Your own "Operation Friendship," conceived, as you put it, "in the hearts of Americans who believe in the preservation of the dignity of man, . . . who believe that we must seek for our children the kind of world we dreamed of but may never see," is already spreading its message of good will overseas. I understand that, at your initiative "Friendship Balls," bearing cards with the names and addresses of American children, have been sent to the children of Italy and that another shipment is in prospect. So in a way, I am speaking to my own partners in a great enterprise. You are helping to pave the highway to peace.

There is no better way, except by personal contact, to encourage friendship and understanding throughout the world than the way which you have chosen—that of correspondence between the youth of America and the youth of other nations. The International Information Administration commends your "Operation Friendship" and hopes that its forces will grow.

#### **Basis of U.S. Foreign Policy**

United States foreign policy is based on the long-range objective of peace and freedom with improved opportunity for all the peoples of the world. It is a policy of the Golden Rule. We know that only in such a world may the people of the United States hope to maintain in peace their own way of life—a way of life in which the state is the servant of the people, where the individual has a right to choose and a chance to choose—a way of life which has provided the greatest freedom and the highest standard of living in world history. We want a world in which no single power may dictate how things are or how they shall be. We want a world at peace. But we want a just peace.

#### **Communist Propaganda**

We have now to deal with the most far-flung, expensive, treacherous, and insidious propaganda the world has ever known. Recently the Soviet Union's "Campaign of Hate" against the United States has been intensified. Now it is directed not against "Wall Street," its favorite target, or against the Government, but against the *people* of the United States, against you and me—like the practice of the international Communists in Czechoslovakia of teaching even little children

to sing "songs of hate" of America. The Big Lie has become the Big Black Lie. Let me cite an example from an article which appeared in *Pravda*, the official Communist Party newspaper in Moscow, on August 9. The ink is scarcely dry on this statement which I quote:

"The Korean press reports fresh facts of the crimes of the American interventionists in Korea. During the temporary occupation of . . . [the] south Pyongyang province, the paper *Minchu Chosen* writes, American soldiers, by threat of arms drove the inhabitants of the rural district to a certain place on the pretext of a meeting for welcoming the American forces. The occupiers then picked all the young women out of the crowd and locked them in empty warehouses. All the women were then raped. The American butchers began to brand patches on the women's bodies with heated irons and nails. All the women who resisted the ravishers had a wire put through their nose by the Americans and they were led by this wire through the village. The monsters gouged out the eyes of many women and hacked lumps of flesh out of their bodies. The butchers disembowled several pregnant women who fell into their hands during the temporary occupation of the town of Sariwen."

This propaganda by the Soviets reaches a new low in the fabrication of so-called American "atrocities." Tragically it is the kind of propaganda about America and Americans to which millions throughout the world are being regularly exposed. It shows the unprecedented, political immorality of the present leadership of international communism. Faced by this condition do you think that the voice of America should be silent, or that more power should be added to its voice?

On direct propaganda alone at home and abroad the Soviet Union spends over a billion dollars a year. Nearly a half billion more is spent in the "satellite" countries. Nor does this include the vast sums spent indirectly on subversive activities, on popular front infiltrations, and on similar campaigns where the Soviets have the help of an active Communist Party. The international Communists are spending, relative to the national income of the countries which they dominate, more than 10 times as much to maintain the Big Lie as we are spending to sustain the Big Truth. It takes more to maintain a big lie than to maintain a big truth. That is true. But this discrepancy is too great and by this time we must know that the world-wide aggression by international communism is not a "feather duster" campaign.

There are now 6,000 local propaganda schools



throughout the Soviet Union with an enrollment of more than 185,000 students. There are 177 regional schools with 135,000 students of advanced propaganda techniques. There are a dozen higher institutions which give so-called "graduate" instruction in propaganda to thousands of postgraduate students. Some of these "graduate students" in recent years have been Chinese, and we are well aware of the present-day consequences of that fact.

Added to all this, nearly every citizen in the Soviet Union is given propaganda training. Surveys of information available to the Department of State indicate that the greater part of the intelligentsia of the Soviet Union, some five to ten million persons, are trained propagandists, trained, that is, to carry out, along with their other duties, propaganda objectives defined by the state.

### Need for Armament of Ideas

Our program of rearmament, the North Atlantic Treaty Organization, the Organization of American States, under the Rio Pact, our mutual security treaties in the Pacific—all of these, I am proud to say, endorsed by your great organization—are our immediate answer to the threat of international Communist aggression. But that is not enough. Wars have been won by arms and armaments. But peace has never been won that way, nor kept. If you have doubts, read your history. It is said half cynically that "the Lord is on the side of the heaviest battalions." But that at most is a half-truth. "Not by might, nor by power, but by My Spirit, saith the Lord." Armies, it is true, have been able to destroy peoples. But armies have never been able to destroy ideas. In the long run, ideas are more powerful than guns. The march of history has proven that. Our own national history is essentially the history of an idea—the idea of freedom, the freedom and the chance to choose. Why does every American school boy know about the Declaration of American Independence? Why do we exact of every public officer a solemn pledge to protect and defend the Constitution of the United States? Why do we cling so tenaciously to the Bill of Rights for which also our fathers before us fought and bled and died? It is not merely because these are honored historic documents. It is because they embody what you and I know as the "promise of American life," a promise which we wish and intend to preserve for our children.

We are making gigantic investments in armaments. We are doing this because we must. But we should never forget that the only reason that we make these investments in the means of war is in the hope that by preventing war we may have a chance to continue our investments in the means of peace. If we want to try to avoid or prevent a world-wide war of arms, we must make a greater investment in the world-wide war of ideas. There is no gain in winning a war and losing a peace. We need an armament of ideas as much as we need an armament of guns. Above all, the whole free world needs a spiritual rearmament, a renewed allegiance to the ideals which have made the free world free, which are vital to keep it free.

For these purposes the United States now has in its arsenal for the war of ideas two principal weapons: first, the International Information Administration or, as it is commonly called, the "Voice of America"; and second, the Technical Cooperation Administration, commonly identified as Point Four, which, with respect especially to underdeveloped countries, is seeking to help others to help themselves. Our combined yearly investment in these two related activities is less than one-half of one percent of our yearly investment in arms and armaments. This is not enough.

You remember the story of Nehemiah, one of the greatest of the epics in the Old Testament. Nehemiah was a Jew. When the Children of Israel had been taken captive and the City of Jerusalem destroyed by the armies of Babylon, Nehemiah became a wine bearer in the palace of the Babylonian King. Nehemiah asked the King to permit him to return to Jerusalem to find out what had happened to the "City of his fathers." The King told him to go; and sent a guard of soldiers with him. Nehemiah found the walls of Jerusalem, he wrote, to be "broken down and the gates thereof consumed with fire"; and he said unto his people: "Let us rise up and build."

But the Ammonites in the surrounding plains did not want Jerusalem rebuilt. They laughed at Nehemiah and his little crew of helpers. But Nehemiah kept on building the wall. Then they tried cajolery, then propaganda, then threats. But Nehemiah kept on building. He "set a watch against them day and night," as the ancient story goes. He "set in the lower places behind the wall, and on the higher places, the people and their families, with their swords, their spears, and their

bows. And it came to pass that half of the people wrought in the work and the other half of them held the spears, the shields, the bows and the habergeons," and "everyone with one of his hands wrought in the work and with the other hand held a weapon."

Finally the Ammonites tried trickery. Sanballat, the chief of the plainsmen, sent a messenger to Nehemiah saying: "Come down into the plains of Ono and let us reason together" for they thought to destroy him. But Nehemiah would not be deflected from his purpose to rebuild the walls of Jerusalem; and the answer which he sent to Sanballat still comes down through the ages of history as a ringing challenge to you and to me and to all those who would build a better world. This was Nehemiah's answer: "I am doing a great work and I will not come down. Why should the work cease whilst I leave it and come down to you?" So they finished the wall!

My young friends, veterans of a great war which we fought for a peace which we have not yet won, if you want to fortify your own determination to "keep on keeping on" in the struggle for peace—a just peace, peace with freedom—I suggest that you read again in the sixth chapter of Nehemiah this challenging story out of an heroic past. We too have our present-day Sanballats. But we also have our Nehemiahs. We too are living today, as did our Pilgrim fathers, who each day went out to till their fields with a hoe on one shoulder and a musket on the other.

Today, we are spending 50 billion dollars a year to provide the "spears, the shields, the bows, and the habergeons" needed to protect us while with other free peoples we rebuild the walls of democracy. Comparatively we are neglecting the war of ideas.

And yet, during the long years ahead, as we build and maintain a defensive shield, the war of ideas backed by positive programs of political, social, and economic progress is one of our greatest hopes for peace.

We have a better than even chance to win the peace, if we do what we can do to win it. We have great collective power on our side in the fight for peace, potentially great military power, great economic power, great resources of self-reliance. But we have much more than that—great moral power if we will harness it for the public good. There is that spiritual force which springs from man's innate belief in a God and in a moral law. This

belief is an important common denominator of mutual interest between peoples who are free or who hope for freedom. There is the historic superiority of truth over falsehood, the power of love over hate, and of faith over fear; and there are the miracles of humanity and justice which have transformed the lives of peoples since the beginning of time.

Americans are a religious people. We prize the spiritual significance of our great political achievements as a nation—achievements which uphold the dignity and the rights of the individual man. We seek in our international relations to manifest outwardly our inner spiritual beliefs.

We need to make more use of these powerful spiritual forces. We need to point out to the peoples of the world that we are missionaries not conquerors, equals not superiors, helpers not masters; and that we seek not empire but mutual opportunity and mutual security. If we do this, we will not be thwarted by the reactionary and spiritually barren philosophy of international communism. But it is not an easy road, nor will it be traveled by easy-going men. If we are to live in a dangerous world, there must be heroism in our way of life.

### **The Campaign of Truth**

In recent months the International Information Administration has occasionally been pressed to "take a leaf out of the book of the Big Lie" of the international Communists. We have rejected this advice and will continue to reject it. The "Voice of America" will never be the voice of Americans unless it is the voice of truth. If we were to model ourselves after the treacherous pattern of international communism, we would lose even if we won.

This great Campaign of Truth on which we are engaged is no place for half-hearted Americans. This is a mission and those who engage in it must have a *sense of mission*. I have said to the thousands of my colleagues in this American missionary enterprise throughout 88 countries of the world that we must carry the flag, not merely on the Fourth of July, but every day in our hearts.

Are we actually reaching the minds and hearts of men in other lands? We may at least safely say that the progress which has been made toward the integration of Western Europe, militarily and economically, would not have been made had it

not been for the help of our United States information services in Europe. In West Germany the people have stood staunchly by the democratic ideal despite the constant, poisonous, and threatening barrage of Communist propaganda. In France the circulation of Communist newspapers has dropped more than 50 percent during the past 5 years, and the membership in Communist labor unions even more. Communism has lost ground in Italy.

We are holding our own in the Middle East, making some gains in Southeast Asia. We have now no access to the people behind the Iron Curtain except by radio. This puts a heavy responsibility upon our "Voice of America." We have unmistakable evidences too that the Soviet Union has not succeeded in jamming the "Voice of America" out of the air and, despite threats, repercussions, and reprisals, that we do have a substantial regular listening audience behind the Iron Curtain.

But your Government alone cannot do all that needs to be done. The assistance of private organizations is essential to the ultimate success of our overseas information and educational exchange program. Our work must be supplemented and fortified by the efforts of mission-minded private groups. After all the historic voice of America, for over 170 years of the life of the Republic, has been through normal trade and travel and the exchange of communications, and it should be our national purpose to restore these normal contacts.

We have set up within the International Information Administration a Private Enterprise Cooperation Division at the service of any private agency, business firm, nonprofit organization, or individual who can contribute overseas to America's Campaign of Truth.

Your own organization has been one of the first to help fill this gap in our effort toward world understanding. I congratulate you on the courage and leadership which you have shown and, in behalf of your Government, I thank you. The World Veterans Federation which you joined not long ago may well become an effective multinational movement dedicated to freedom and democracy.

There are no more convincing propagandists for peace than the men who have themselves been in war. A group of war veterans' organizations representing every free country could be one of

the most powerful factors for peace, freedom, and democracy in the world today. I hope you will persevere in your effort to foster such an international movement.

The affirmative values of our society have been deeply inspiring to those who have seen and felt their creative force. That is why millions overseas are eagerly waiting at the gates for opportunity to come to America to live. But we do not always present our best side to the world. In our enthusiasms and in our impatience to get things finished we do not always make ourselves understood. Yet we expect others to recognize us for the "good neighbors" that we really are.

It is the purpose of the "Voice of America" to reach to all parts of the world with the facts about what is happening in America and elsewhere in the world. It is a part of our own democratic faith that people, if informed of the truth, will accept the truth and will live by it.

So each year we are bringing to this country, so that they may see American life first-hand, thousands of leaders of thought and opinion from other countries. For the same reason we are sending American leaders and students abroad as "missionaries," to carry to others a message of faith and hope from America. That too is why we are beaming the truth about the United States every day in 46 languages over the radio networks of the "Voice of America" to a potential world-wide audience of nearly 300 million persons. That is why we maintain information centers and libraries, showcases, so to speak, of American life and thought, located in 150 strategic areas of the world.

That is why we furnish 10,000 foreign newspapers and government officials a daily wireless news bulletin; and why we distribute each year 200 million pamphlets and booklets, giving to other people the facts about America. That is why we picture the American scene to 250 million persons annually, in 43 languages, through motion-picture films.

No one is wise enough to foresee the end of the present world-wide contest of ideas. It may last indefinitely. International communism may be expected to increase its aggressions, at least its aggressive propaganda.

Our national security requires a continuing voice overseas. We must not neglect the war of ideas any more than we dare neglect the war of armaments. The "Voice of America" throughout



the world must be clear enough and powerful enough to rise above the tide of hateful propaganda of international communism. It must be a voice of freedom—of faith and hope. It must be the voice of truth; and it must have the understanding, the interest, and the support of the millions of Americans for whom it speaks.

There are few organizations in America which collectively and individually can contribute as much to these noble objectives as can this great

association of war veterans to which I am privileged to speak this afternoon. So I ask you again to shoulder arms for your country, but this time to shoulder arms in the battle for men's minds. If this is a crusade, it is a crusade in which all Americans may join who are interested in preserving for all men the right to freedom of choice and for their own children and grandchildren, the "promise of American life." It is the only road to peace.

## **Present Day Relationship Between Military Power and Civil Authority**

*by Charles B. Marshall*

I have been asked to discuss civil-military relations in the American constitutional framework. Let me start with some simple definitions:

All government relates to the achievement of results.

The capability to achieve results is power.

All government therefore involves power.

One form of such power is force.

By force I mean, first, the capacity to transmit energy and so to expend it as to do vital harm to an adversary and, second, the deterrent, compulsive effect exerted by the existence of this capacity.

The state involves the bringing to bear of force in two distinguishable ways.

One relates to police affairs—involving the application of force in particular, limited situations to require submission to public authority.

The other relates to military affairs—involving application of force in relation to general purposes of state—its survival, its expansion, and the like.

The line of distinction is not always sharp. In certain instances the differences may break down. Particular defiance of public authority may merge into general defiance, transforming a police into a military problem. The opposite may also occur.

Rather than dwell on this distinction between force in its police and force in its military frame-

work, let me get on to the distinction between force and other forms of power employed in the service of the state.

### **Distinction Between Force and Other Forms of Power**

The capacity for force is only one of many possible elements in the reservoir of power. The others pertain to economic strength, to the integrity of political position, to the degree of confidence and good will commanded, and to many other factors.

The force factors are susceptible of precision. The elements are concrete. Within planned limits of time and space absolute solutions can be projected in terms of exercise of force.

This is a source of temptation. It leads anxious and ambitious rulers to turn to the wanton use of force to compel a compliance denied to the use of other means. This engrossment of other means by force produces the police state.

By the same token it may lead to the quest of absolute solutions of the peripheral frustrations and anxieties of a political society. This produces the militaristic state.

Very often these two things go hand in hand. The anxieties and afflictions producing hatred of responsibility in one frame of reference usually operate in the other as well.



## Instances From Our Historic Past

A central and persistent problem of the state is how to organize and control the factors of force so as to prevent those in command from so using it as to escape responsibility in the use of power.

This problem was relevant in the rebellion against the Crown. The peacetime deployment into American territory of forces not subject to the same line of authority as governed in colonial civil affairs was one of the galling circumstances giving rise to the impulse to independence.

This problem was relevant again when in the immediate sequel to independence a few heady veterans dreamed passingly of imposing themselves as the dominant element in a political society cast in a military mold.

This problem emerged again when the contradictions of politics outran the capacity of politics to resolve contradictions and produced the Civil War. I refer especially to the clash of will and authority between the President and General McClellan.

"Little Mac" had two mistaken ideas. The first was that the employment of violence, rather than politics, to resolve the problems of the state *ipso facto* makes the military arm ascendant over the civil arm. The second was that supreme command in the field subsumes supreme authority in all relevant matters. For these mistakes "Little Mac" was relieved. He nurtured dreams of a political vindication. His contention was that Presidential interposition had frustrated victory and that the war consequently was a failure. He did not succeed in making this cogent to a sufficient proportion of the electorate.

The same problem became relevant again in a way when, in the sequel to the fighting phases of the Civil War, the President and the Congress divided on the question whether military means should be laid aside at once or continued for a season so as to work further changes in relationships before the restoration of normal political methods within the reintegrated Union.

The phase brought on by triumph of the congressional view favoring the continued employment of military means—not in violence but in occupation as a substitute for civil authority—was perhaps the bitterest and most destructive in our history. Its scars still mark and its neuroses yet affect the body politic.

Yet this was not a civil-military struggle at root. The contest over reconstruction was a contest between rival elements of civil authority, and one of them turned to military means to forward its own political purposes. This is worth noting. The problem of civil-military relations is how to inhibit political abuse of military matters just as much as it is the inhibiting of military abuse of political matters.

These instances from our historic past shed meager light on the present, however.

In our prevailing experience as a Nation, the issue of military domination was immaterial. The passing incidents of international war were mainly peripheral adventures not involving national survival. Armed forces of negligible proportions, supported by a popular militia inveterately proficient in use of firearms, were deemed enough to give national security. No massive threat confronted the United States from any quarter.

Within a generation past it was possible for a President, without appearing ridiculous, to instruct the War Department to desist from further activity in war plans since the possibility of hostilities had ceased to be of material concern to the United States, and for a Secretary of State to assert that America was impregnable because a million farmers with shotguns would spring to her defense in case of any threat of invasion.

Those were the times in which we sailed on what Lord Bryce called America's summer sea.

America was busily engaged in developing the bases of its world power—a vast continental range integral to both the Northern and the Western Hemispheres, a richly productive economy, and strong political institutions based upon principles of accountability and freedom—without a real grasp of the eventual implications of such power.

This development was made possible by the fact of the diffusion of power among several nations of great magnitude.

That fact ceased to be a fact all within a lifetime.

## Primary Positions of the U.S. and the U.S.S.R.

Two nations, the United States and the Soviet Union, have emerged into positions of primary magnitude in contrast to the former diffusion of power.

The confrontation between them takes the form of a contest over the issue whether the clash of cultures, the problem of working out relationships between the rest of the world and the peoples newly come to freedom, and the problem of weapons and security are to be exploited to widen the scope and strengthen the foundations of a monopoly of the Kremlin, or to be resolved on the basis of accommodation arrived at by a free concurrence.

No combination of nations adequate to cope with the Soviet power is conceivable without the support and participation of the United States.

While novel to us, this situation was well foreseen by perceptive minds in our long past.

For example, Jefferson wrote to John Adams in 1816: "We are destined to be a barrier against the returns of ignorance and barbarism." Of our continental position he said: "What a stand will it secure as a ralliance for the reason and freedom of the globe!"

In the same vein, Walt Whitman wrote a generation later:

Long, too long America  
Traveling roads all even and peaceful, you learned  
from joys and prosperity only.  
But now, ah now, to learn from crisis of anguish,  
advancing, grappling with direst fate and recoiling  
not.  
And now to conceive and show to the world what your  
children en masse really are.

Let us say something now of the circumstances in which we are called upon to show the world what we Americans really are.

The power developed in the era of freedom provided by the balance of power now permanently involves us. This fact deprives us of the old sense of freedom. By being permanently involved, the Nation has lost also the power to alter the world situation dramatically and suddenly by interposing its weight. Thus it is deprived of its former sense of efficacy.

These circumstances have drastically and secularly altered the relationship of military power and civil authority.

I do not intend to labor a description of the present arrangements for collaboration between the civil and the military components of the Government.

Rather I want to point out briefly and broadly the points of crux in the new situation.

One point is the shift of the primary focus of the national effort and the national consciousness about public concerns to the factors of national security in world relations rather than upon internal development.

I do not mean to say that everyone in the Nation has suddenly become preoccupied with the problems of foreign policy and strategy to the exclusion of interest in domestic affairs. Regardless of how the individual citizen may apportion his daily worrying time, an unprecedented part of his daily effort, whether he knows it or not, goes to the support of national security in a strictly military sense.

#### Points of Focus for the U.S. Citizen

The point of focus in the Government itself, both in the executive branch and in the Congress, is on national security and military concerns to a degree undreamed of in the historic past of this country.

This is going to be the case at best for a long time to come, notwithstanding the tendency of many to speak as if this were only a passing phase to be put behind us by some stroke of policy or some spontaneous alteration of circumstance. The situation in which concentration on military concerns and security was only the job of a season is permanently gone.

To the matters of primacy and permanence of concern I would add the new factor of size.

How the military spend their money ceases to

be merely a question of marginal economizing. It now becomes one of the chief determinants in the economic life of the Nation.

The factor of magnitude is important in another way also. The military mechanism, notwithstanding that we may speak of it in terms of weapons and budgets, is essentially a collection of individuals.

The permanent and expanded military effort entails the normal expectation and experience of military life by the young American.

This will produce a steady increment of veterans as a factor in society and in the politics of the electorate.

I do not know the full significance of this. It does indicate, however, that the effects of military indoctrination and experience on political attitudes will be of enormous permanent importance. It will fall to military authority not only to superintend a military machine but also to operate a permanent school for citizens.

This symptom of increasing participation of the military in national life has its counterpart in the increasing military participation in policy making.

#### Military Participation in Policy Making

This is reflected in the National Security Act of 1947 establishing the National Security Council as a supreme body immediately below the President and as an adjunct to him in the consideration of problems of national security.

The intention was to create a continuous *rapport* between the civil and military elements in working out the answers in the fields where statesmanship and the military arts coincide.

I do not want to discuss the organization and procedure of the National Security Council. I want to make a point only to the continuing evidences of misgiving in the Nation over the idea that something of that sort is working out.

Just a few weeks ago, in the question period following a speech at Philadelphia, a lady asked me as to the truth of disturbing reports to the effect that generals and admirals were entering more and more into the sphere of policy decisions. She also asked me as to the truth of reports of the importance of the role of Gen. Omar Bradley in the affairs of Government.

This sort of thing is not confined to a lady in Philadelphia. One notes, recurringly, comments reflecting a premise of something dangerous in the preference of generals and admirals in the councils of state. Just a couple of weeks ago, I noted a great deal of discussion in the press in regard to the fact of a briefing of a Presidential candidate by a general in a position of considerable authority.

The tone of much of the comment implied something evil in the mingling of military knowledge and politics.

Let me emphasize this. Our foreign policy is now objectified in a pattern of military coalitions. These cover the American Hemisphere. They em-

brace the countries of Western Europe and carry to the eastern shores of the Mediterranean. They extend to the reaches of the Pacific in a nexus of alliances with New Zealand, Australia, the Philippines, and Japan. In the same area we are carrying on limited hostilities in Korea with a coalition in support of foreign-policy objectives.

The fact of being the integrating member of a complex pattern of coalitions is in itself something quite new in our national experience. It brings the military into foreign policy pervasively as never before.

Coalition relationships are difficult and delicate things to handle, requiring the keenest tempering and balancing of civilian and military considerations with one's allies.

In like fashion, the deployment of military forces abroad in occupation duties in recent years has raised novel questions in our constitutional experience.

In our past were periods of brief and limited occupations of foreign areas, but none approached in magnitude and complexity the problems of occupation in the wake of World War II, when American forces became for a time virtually a sovereign arm in large portions or in all of the area of defeated nations.

#### **The Question of Military Secrecy**

That the military have been the operating and responsible arm of Government in undertakings so vitally a part of foreign policy as the Occupation of Germany and Japan illustrates the sterility of the notion of somehow keeping military concerns and foreign affairs compartmentalized.

I think it well to get in mind the identity of the element of danger in military participation in councils of state.

It is not that generals and admirals should have a voice, and a significant voice, in councils of state. A crucial consideration is whether their voice is the only voice heard or heeded.

I take it that the danger point is reached when, as in the Kaiser's conferences at Pless in the winter of 1916-17, the military voice becomes the only significant voice and those who make the ultimate decisions of state listen to them to the exclusion of other authorities in disposing the power of the state.

I do not think we are anywhere near that danger. At the same time I do not suggest that we put it out of our mind. It is basic to the principles of responsibility that no man and no group ever get a monopoly on being heard.

This brings me to the matter of military secrecy.

Information is a form of power. The uninformed man is in a necessitous position in dealing with the informed man. An official in one line of responsibility dealing with an official in another line of responsibility, withal conscious

of the other's knowledge of something denied to himself and bearing essentially on the problems of mutual concern, simply cannot feel equality of relationship in the sense that equality is essential if consent is to be elicited and concurrence is to be free.

This poses a potentially grave problem in relation to the maintenance of lines of responsibility within our Government in junctures like the present.

Absolute secrecy applies to some of the knowledge most vital to the survival of the state. These are military secrets, available only to highest military authorities.

Factors of which they control exclusive knowledge form the basis on which the highest decisions affecting the survival of the state must be made. The manner and the degree of the withholding or disclosing of such information are determinative of the views and decisions of other agents of the Government and of the Congress.

I know of no formula for solving the difficulties and dangers latent in a situation where knowledge of data fundamental to the survival of the state is a monopoly of its military magistrates. I would not suggest abandonment or weakening of the standards of secrecy. My only point is that this situation poses a problem entirely novel in our national experience, one deserving of closest and most persistent study to see how such secrecy can be maintained without derogation to the principles of responsibility.

The relevance to relations particularly between the military and the Congress of this matter of a monopoly of certain types of information is obvious.

The vesting in the military of the authoritativeness inherent in the monopoly of the information bearing most vitally on the security of the state has potential implications on the question where in the executive establishment will be the dominant voice in counseling the Congress on policy related to our world position.

The danger of congressional interposition to divide the executive establishment against itself is latent in our institutional arrangements. It has happened before. The threats have been more numerous than the occurrences.

#### **Degree of Trust Reposed in the Military**

Let me suggest that there is an unnecessary invitation to this sort of thing inherent in the National Defense Act of 1947, which establishes the Joint Chiefs of Staff as principal military advisers, not to the President and the executive establishment alone but also specifically and directly to the Congress.

Just as it is hard to serve two masters, it is hard to be a principal adviser to each of two separate branches of political authority.



Let me mention another point of crux involving the degree of trust to be reposed in the military. Here the question is a little different, and applies to trust imposed in and power allotted to the executive in general as well as to the military in particular.

I refer to the need of producing margins of power in the conduct of policy in relation to the security concerns of the Nation.

During World War II, I was conversing one day with a very able general for whom I served as executive officer. I expressed the view that in a perfectly planned war the victor would come to the moment of victory with his warehouses empty.

He said this was a sophomoric idea because the side whose warehouses are empty at the last moment of struggle is bound to be the losing side.

He said: "In war it is the surpluses which produce the margins by which one prevails. In war to have just enough is to have not quite enough."

The wisdom of that observation applies to a situation of vital struggle like the present, even though we may not call it war.

To have had some uncommitted divisions available at crucial junctures in the Korean struggle would, I believe, have altered the situation drastically. It would have given the United Nations Command a flexibility denied in the actual circumstances. By the same token, it would have impinged on the scope permitted the adversary.

The same applies to the desirability of having on hand a few air groups beyond the absolute needs.

#### **Preserving the Old Spirit Under New Pressures**

I shall go further and say that to have a few hundreds of millions of dollars worth of supplies and power in the reservoir for foreign spending, above and beyond the immediate requirements, would give the Government a power of quick interposition not available to it now, and yet one most desirable in the present world circumstances.

To lack such margins puts a nation recurrently in the position of the dwarf who rode up eight floors in the elevator and then walked three more floors, all because he was too short to reach the eleventh button.

Yet the traditions of our Constitution, the principles of separation of powers and the practices of congressional scrutiny of executive requirements in general and of military requirements in particular make it remote from probability in any circumstances, short of formal war, that the executive in general and the military in particular will be provided with disposable elements of power beyond needs demonstrable in advance.

So far I have talked mostly about high-level relationships.

The new scope of interchange between the civil and the military is felt along the line.

The difference between the military and the civilian viewpoint in government—let me put it this way, between the problems of force and the other problems of power—are manifested in myriad contacts every day.

I emphasize the difference between problems rather than difference between the minds dealing with them. I want to avoid any easy clichés about the military mind.

Why military men do, in general, think differently from those concerned with other aspects of government is explicable in terms of the material with which they deal.

Military concerns are more concrete than policy concerns in general. They can be more readily reduced to precision, to definition, and to procedure.

The military man is likely therefore to feel impatience in dealing with the methodology of others and unwarily jump to the conclusion that all human affairs might be brought to as complete solutions as a problem of battle, if planned with the precision and neatness of military planning.

The cure for this lies in more reciprocal familiarity developed through experience and indoctrination and not in the unrealistic expectation that military men should be caused to think like civilians or vice versa.

Lord Wavell spoke of this problem a few years ago:

. . . In acquiring proficiency in his branch the politician has many advantages over the soldier; he is always in the field while the soldier's opportunities of practicing his trade in peace are few and artificial.

. . . The politician, who has to persuade and confute, must keep an open and flexible mind: the mind of the soldier . . . is apt to be fixed, drilled and attached to definite rules. I will not take the comparison further; that each should understand the other better is essential. . . .

The heart of the problem—whether in establishing *rapport* between civilian and military public servants, in handling military secrets without derogating responsibility, or in adjusting the national economy to military budgets of huge magnitude—is one of preserving the old spirit under new pressures.

Certainly no more than half of this job will fall to the military. The rest of it must fall on the civil components of government and society.

Their part of the job cannot be done merely on the basis of Jeffersonian suspicion of the military arm.

In responding to these circumstances, in preserving the old spirit under new pressures, we shall show the world what we really are.

• *Mr. Marshall is a member of the Policy Planning Staff, Department of State. The above article is derived from an address made before the American Political Science Association, Buffalo, N. Y., on Aug. 28.*



## Draper Report on Major European Economic, Political, and Military Developments

### TEXT OF AMBASSADOR DRAPER'S REPORT

White House press release dated August 28

22 AUGUST 1952

MR. PRESIDENT:

I submit the following informal report and commentary covering the first half-year of my tenure as United States Special Representative in Europe, following my arrival in Paris on January 28 last. Since the Office which I have the honor to head represents our Government on a regional basis, I have attempted to picture my over-all impressions of the play of events on the European scene during recent months.

#### The Trend Toward Integration

The fourteen countries banded together in the North Atlantic Treaty Organization have been moving steadily forward during 1952 and have made substantial progress toward their common objectives. As a political group, NATO is becoming stronger and more closely united. In the economic field the severe financial crises which were brewing last winter have been kept within bounds, the European standard of living has been maintained, and a clear-cut movement is under way toward closer economic integration. At the same time the mutual effort to build a strong collective defense has been gaining ground slowly but surely.

Above all, I have been greatly inspired by the dedication of all fourteen NATO Governments to their primary and common purpose of maintaining their free way of life and preventing World War III. These governments understand that only by presenting a united front in both the political and the military sense can they hope to counteract the threat of internal and external Communist aggression. This understanding has permeated and inspired every important discussion and conference I have attended during the past six months.

It was this spirit of give and take in the common need for unity that brought successful agreement at Lisbon in February after failure had been

openly predicted. This same driving force has now brought the Schuman Plan into being, with six countries joined together to develop their basic economic resources through the European Coal and Steel Community. Under the pressure of events, Germany and the three Western Powers have composed many outstanding differences and have signed agreements which should soon end the long occupation of Western Germany and peacefully integrate its fifty million people into the rest of the free world. Already two powers, the United States and Great Britain, have ratified these agreements.

With even more striking historic implications, six governments, France, Germany, Italy, Belgium, Holland and Luxembourg have signed mutual pacts intended to establish a European Defense Community and the European Army. I look for early parliamentary ratification of these treaties. Then we shall see countries which twice in a generation have been mortal enemies join together in a common army and adopt a common defense budget. These six countries are now discussing even closer political ties and may merge more of their national sovereignties in the mutual effort.

Even those of us who have been closely observing these recent developments here find it difficult to realize how far along the road to military integration, economic unification, and political federation the nations of Western Europe have really come. Measured in terms of history the pace has been incredibly rapid. This European movement has been influenced by the efforts and the active good will of thinking people from many nations. Even more, it has been motivated by the inexorable forces of natural progress and of the political and economic pressures of the post-war period.

In the free world the trend toward unity and strength is now clear. If this trend can be maintained, we can see ahead the changes in world relations for which free men everywhere have waited since Soviet imperialism unmasked its evil ambitions.

## WHITE HOUSE ANNOUNCEMENT

White House press release dated August 28

By greatly increasing its imports the United States can help Western European nations to close their existing "dollar gap" and thus earn their own way, Ambassador William H. Draper, Jr., U.S. special representative in Europe, wrote in a report to President Truman released on August 28. Mr. Draper's summary of his first 6 months in office was forwarded to the President from his headquarters in Paris.

He recommended that the United States should seek all possible means for promoting additional private investment abroad, including the strengthening and extension of the provisions for governmental guaranties. Increased American investments abroad, he said, would supplement efforts to alleviate Europe's chronic shortage of dollars.

The American people are being taxed to pay for the huge excess volume of raw materials and manufactured goods being shipped to Europe, he noted. The United States must substantially increase its imports from Europe and from other parts of the world if America expects to keep up its present volume of exports and at the same time get paid for it, he said.

"If this simple truth were clearly understood and accepted by our own people, regardless of party, the next Administration and the new Congress would doubtless find ways and means to gradually accomplish the desired result," Mr. Draper asserted.

Among methods he suggested for stimulating greater imports were reaffirmation and extension

of the reciprocal trade agreements program; enactment of proposed legislation for simplified customs procedures; and the progressive lowering of other import restrictions and duties. Such a policy would increase Europe's capacity to pay without correspondingly reducing America's exports, he said.

Ambassador Draper in his report emphasized these other major developments:

1. Western European nations have made significant advances in political, economic, and military integration.

2. Nato is becoming stronger and more closely united; the Council is now carrying out an Annual Review to set firm military goals for 1953 and to reconcile the cost of proposed military forces with economic capabilities.

3. Defense budgets of the Nato countries have more than doubled since the Korean War to build up, train, and equip their armed forces.

4. Offshore procurement contracts placed by U.S. armed services during the past 6 months totaled \$683,800,000 to buy European-made defense equipment for Nato forces, and a similar offshore program for the fiscal year 1953 is now being planned.

5. Success of the European Payments Union is solving the critical Belgian surplus creditor position and attests to the spirit of cooperation existing in Western Europe today.

6. More production at competitive prices and better markets are essential to Europe's further economic development; present European markets no longer adequately serve the needs of European producers.

## United States Agencies in Europe

The creation early this year of the Office of the United States Special Representative in Europe was made necessary by the growing scope of our national responsibilities. In the mutual security field, this Office provides civilian coordination and supervision on a regional basis of the political, economic and defense activities of our Government in Europe. This objective cannot be fully achieved quickly, nor can we remain static. As problems arise and conditions change, existing policies and organizations must be responsive to the new needs.

As Special Representative I report to the several departments of our Government in Washington, and work through and with our Ambassadors and "country teams" in Western European capitals.

Our regional office is now established in Paris and resulted from merging the U.S. political and defense activities in Nato, until recently in London, with the U.S. economic and mutual aid activities already located in Paris. Ambassador

Frederick L. Anderson serves as my general Deputy and takes turns with me in visiting the various European countries. Our office is divided functionally into three divisions—political, economic and defense. Ambassador Livingston T. Merchant, with long and varied experience in the State Department, heads the Political Division and handles matters arising in the North Atlantic Council. Mr. Paul R. Porter, formerly in charge of Mutual Security Agency activities in Europe, deals with problems of the Organization for European Economic Cooperation and directs the Economic Division. Mr. Luke W. Finlay, a reserve Brigadier General, was recently in charge of European offshore procurement for the Army. Now, as Deputy for Defense Affairs, he is responsible for coordinating military assistance and production problems.

In each Nato capital the United States plays its part and exerts its influence in strengthening the military and economic effort through a so-called "country team". This "country team" is headed by our accredited Ambassador in each country, and includes, in addition to diplomatic

officials for political problems, a mutual security mission in the economic field and a military assistance advisory group in the defense area. These three elements receive policy guidance and direction respectively from the Department of State, the Mutual Security Agency, and the Department of Defense in Washington.

On the military side, General Matthew B. Ridgway, as Supreme Allied Commander, Europe, commands allied forces in Europe assigned to NATO, including the United States military forces so assigned. General Ridgway, in his capacity as Commander-in-Chief of all U.S. Forces in Europe, has delegated to his Deputy, General Thomas T. Handy, coordination of command and administrative matters for the forces, as well as appropriate coordination with this office.

The effort to integrate U.S. policy in Europe through the Office of the Special Representative would not have been possible without the complete cooperation and support of the armed services and of the several agencies and many individuals concerned with the program in Washington and throughout Europe. This cooperation and support we have had in the fullest measure, and for this I am deeply grateful.

#### **The North Atlantic Council**

The reorganization and physical concentration of our regional activities in Paris has paralleled the move of the North Atlantic Council, NATO's high political body, from London to Paris. The Lisbon Conference created a civilian Secretary General for NATO who directs an International Staff in carrying out the decisions of the North Atlantic Council. Lord Ismay, of the United Kingdom, as the first Secretary General, brought to the newly created office a long and valuable background of military experience and civilian government responsibility. Under Lord Ismay and the Deputy Secretary General Mr. H. van Vredenburg, are three major divisions headed by Mr. Rene Sergent of France, Assistant Secretary General for Economic Affairs; Mr. David Luke Hopkins of the United States, Assistant Secretary General for Defense Production; and Mr. Sergio Fenoaltea of Italy, Assistant Secretary General for Political Affairs.

The Council, now in continuous session in Paris, has easy informal contact with Supreme Headquarters, Allied Powers in Europe, under General Ridgway, although the Council's formal relationship with the military is through the Standing Group and the Military Representatives Committee in Washington.

Through participating as United States Permanent Representative in the discussions of the North Atlantic Council, I have been impressed with the deep desire of all the National Representatives to avoid bickering and dispute, to find common ground for agreement, and generally to pursue the same basic objectives.

#### **The Lisbon Conference**

The Lisbon Conference last February marked a milestone of great importance for NATO. Approval was given to the Temporary Council Committee recommendations providing for a systematic strengthening of the NATO military forces in combat-ready units, and establishing the necessary organization and procedures for annual revaluation and planning of the military buildup. Approval in principle was given to the European Defense Community, designed to make possible Germany's participation in the western defense effort. Turkey and Greece, with large ground forces in being, became full members of the North Atlantic Treaty Organization.

Under the leadership of Mr. Averell Harriman, of the United States, Sir Edwin Plowden, of Great Britain, and Mr. Jean Monnet, of France, an intensive study had been made by the Temporary Council Committee of national military capabilities and of available budgetary resources. This represented a NATO-wide effort to plan the maximum combined build-up of NATO's military forces within the capabilities of the member countries. For the first time in history a group of countries made available their military programs and their military budgets to an international body for review and recommendation.

At Lisbon the various nations agreed to provide to NATO by this year end approximately fifty combat-ready ground divisions (half of them active divisions and the balance readily mobilizable reserve divisions), about four thousand combat airplanes and a comparable naval strength. These goals were exclusive of Greek and Turkish forces. Developments since February indicate that these goals may not be met in full by the end of this calendar year, but any slippage is of relatively small proportions and, with intensive effort, it should be possible to complete the 1952 goals early in 1953.

The North Atlantic Council, together with the NATO military headquarters, are currently reviewing the progress being made toward these agreed goals. The Council is now carrying out an Annual Review to set firm military goals for 1953 and to reconcile the cost of proposed military forces with economic capabilities on the basis of the experience and information developed since the Lisbon meeting.

#### **U.S. Military Aid and Offshore Procurement**

European defense budgets have more than doubled since the Korean War. These increased resources have been used to build up, train and equip the armed forces of our NATO partners. The United States has supplemented the European effort by furnishing heavy armament and other equipment that cannot be produced in Europe in the time and quantities required.

The military assistance from the United States in the form of tanks, planes, artillery and other



weapons is indispensable in bringing NATO forces quickly to a status of greater combat readiness. The flow of military weapons and equipment from the United States is increasing but must increase still further in order to provide the European defense forces with the substantial quantities of modern weapons required.

As part of our military assistance, a large-scale program of procurement in Europe was adopted a year ago. The primary objective and the great significance of this step is that it will contribute to the development of a production base that will make it possible for the countries of Western Europe in the future to provide more fully for their own defense requirements. In addition, these offshore procurement contracts will contribute materially to the effective use of labor and resources in Europe and will help make dollars available for imports needed for defense and civilian production.

Last fall Army, Navy and Air Force procurement officers were authorized to begin the placement of offshore procurement contracts in Europe. A multitude of major and minor difficulties and delays were necessarily involved. Specifications and blueprints had to be translated into many languages; measurements had to be converted from inches and feet into the metric system; contracting procedures normally followed in the United States had to be adapted to conform reasonably with contracting customs and procedures of the NATO countries; special tax agreements had to be negotiated, under which governmental and local taxes were waived on military production financed by the United States. Time was also necessarily spent in determining appropriate delivery schedules and sources of production, and in getting competitive bids from the various plants and countries.

Nevertheless, the three military services carried out the program and actually placed contracts before the fiscal year ended on June 30th last, for nearly \$700,000,000 of military production in Europe. Practically all of this huge total is being produced in nine NATO countries, broken down as follows:

Belgium.....	\$46, 000, 000
Denmark.....	6, 000, 000
France.....	335, 500, 000
Greece.....	11, 000, 000
Italy.....	129, 000, 000
Luxembourg.....	300, 000
Netherlands.....	38, 000, 000
Norway.....	6, 000, 000
United Kingdom.....	69, 000, 000
Non-NATO countries.....	43, 000, 000
<b>TOTAL.....</b>	<b>683, 800, 000</b>

About \$600,000,000 of this total is being financed from 1952 Mutual Security Funds appropriated last year, and the resulting military end-items—auxiliary combat ships, ammunition, electronic and other equipment—will be allocated to our NATO partners as part of the collective effort to re-

arm. The balance of these orders were financed from regular Defense Department appropriations and will provide military hardware and ammunition for the use of the United States forces.

The procurement agencies of the Army, Navy and Air Force and the United States Joint Coordinating Board for Offshore Procurement are to be congratulated for overcoming the many obstacles to achieving this important program which only a few months ago appeared insurmountable.

More than half of the \$335,500,000 of procurement orders placed in France represented fulfillment of the commitment undertaken by the United States to the French Government at Lisbon. The French Government pledged itself to firm military goals for 1952 and undertook to increase its own defense contribution beyond that recommended by the NATO Temporary Council Committee. The United States Government agreed that as part of its total aid \$200,000,000 of military and economic assistance would be provided in the form of military procurement in France, largely for Indo-China, designed to give budgetary as well as dollar assistance to France.

At the Lisbon meeting France also requested "offshore procurement" assistance for additional production in France which the budgetary limitations of even the increased French budget would not cover, but which had been already programmed as part of the French effort. The United States pointed out that it could not undertake any commitment for this additional production but agreed to examine specific French proposals as they were presented. Contracts have since been placed for a number of auxiliary combat ships so requested by France, and are included in the totals given above. In addition the United States has now agreed, subject to satisfactory conditions and prices, to place \$186,000,000 of additional offshore procurement in France in response to the French request for much larger procurement. The fact is that the French production program, as originally planned, is still not fully covered by the increased French budget, even with American military assistance which can be made available to France from the appropriations actually voted by our Congress.

#### **Procurement of Planes, Tanks, and Ammunition in Europe**

The Office of the Special Representative, in coordination with the military services, is now preparing to recommend the broad outlines for a comparable offshore procurement program for the 1952-53 fiscal year. The NATO International Staff, which is steadily becoming more effective, has very usefully cooperated in developing a proposed program of production in Europe of combat airplanes to meet part of the existing deficiency in NATO's air power and also to strengthen Europe's aircraft production industry. This program calls for the expenditure of some \$400,000,-



000, partly contributed by the United States and partly by the European nations themselves. Approval in principle has been given to this important program by the United States Government and negotiations have begun to solve the many financial, technical and production problems involved. Negotiations are also under way for the production in Great Britain of Centurion tanks for certain NATO countries as part of the offshore procurement program.

A considerable part of the offshore procurement contracts already placed will provide needed ammunition for NATO forces. The NATO International Staff is now preparing to recommend an ammunition program for the current fiscal year in which the national ammunition programs will be integrated with and supplemented by additional offshore ammunition production financed by U.S. military aid funds.

Since offshore procurement serves many desirable long-range U.S. objectives and at the same time effectively accelerates the short-term defense buildup, I believe it should be continued as an important and integral part of our military assistance program to Europe.

#### **Organization for European Economic Cooperation**

The United States, as well as Canada, is an associate member of the Organization for European Economic Cooperation. This organization, established in 1948 to concert the recovery aims and actions of the nations receiving Marshall Plan aid, continues to play a major role in creating the basis for an integrated and self-supporting European economy. Among its other major activities the OEEC has rendered invaluable service in helping member governments reduce trade barriers and expand intra-European trade through a system for settlement of trade balances, partly in cash and partly in credit. This system is administered by the European Payments Union, which the OEEC created and supervises. Mr. Anthony Eden, British Foreign Secretary, has recently succeeded Dr. Dirk U. Stikker of The Netherlands as Chairman of the Ministerial Council directing OEEC.

The United States maintains close and friendly relations in the economic field with Sweden, Switzerland and Ireland, and has similar relations with and special responsibilities toward Austria and the territory of Trieste, all of which are members of OEEC but not of NATO. Western Germany is also an active member of OEEC, and its economic development is closely related to the course of production, trade and general prosperity in Western Europe. The German Federal Republic as a prospective charter member of the European Defense Community should soon play its part in the common defense effort as an integral element of the European Army. Although Yugoslavia is not a member of either NATO or OEEC,

United States military and economic assistance is now being made available to that country. Negotiations are currently under way regarding military and economic assistance for Spain. There are, therefore, aside from the United States and Canada, 12 countries in NATO, 6 additional countries in OEEC, and Yugoslavia and Spain, or a total of 20 countries in Europe with which the Office of the United States Special Representative deals on one basis or another.

#### **Intra-European Economic and Financial Problems**

It is clear that Europe, in building its defenses and in strengthening its will to resist possible aggression, must maintain strong national economies and reasonable standards of living for its peoples. Only through increased total production can Europe continue to meet both its military and civilian requirements.

Since the war, European production has in fact made remarkable strides. Wartime destruction has been largely repaired. Industrial production has for the past many months been above prewar, and recently agricultural production has risen slightly above prewar totals.

Despite this progress in physical production, financial and payments problems of the most serious character continue to trouble Western Europe. Soaring raw material prices following the Korean war and the cost of rearming have aggravated inflationary pressures. At the same time the necessary expansion of trade and conversion of currencies have become more difficult. The trading problems inherent in the dangerous shrinkage in British reserves of gold and dollars late last year and the severe financial problems of the French Government last winter illustrate the difficulties.

To combat these particular problems the United Kingdom has adopted stricter budgetary measures, raised the bank rate and sharply restricted dollar and other imports. The Prime Minister, for reasons of economy, has also announced a "stretchout" in the timing of the British defense build-up. The French Government has reduced capital investments and certain other expenditures and has also adopted emergency trade restrictions to protect its foreign exchange position. Some reduction may also be necessary in the scale of French defense production.

#### **The European Payments Union**

A particularly knotty problem plagued many European Finance Ministers this spring. For two years the European Payments Union had provided an orderly basis for settling the monthly trade balances of nearly a score of countries. It had given real relief from the bilateral trade agreements and bilateral settlements of the years immediately following the war. But the agreement ran only to June 30, 1952 and the extreme

creditor position of Belgium threatened its very existence.

Belgium faced a special difficulty since its exports to European countries and to the sterling area greatly exceeded its imports of goods from those areas. For a considerable period of time these excess exports were running \$30,000,000 to \$40,000,000 a month. These mounting credit balances meant a constant drain on Belgium's financial resources, since the European Payments Union only provided partial payment, intended to cushion temporary ups and downs in foreign trade. Unfortunately, the Belgian export surplus was constant and soon outran the agreed quotas. The European Finance Ministers, sitting in the Council of the Organization for European Economic Cooperation, struggled in May and June to solve Belgium's need for greater payments without seriously straining the gold and dollar reserves of the European Payments Union.

They finally found an acceptable solution, under which Belgium (1) received an additional partial payment, (2) increased her own imports by placing defense production orders in France and the United Kingdom (offset employment-wise in Belgium by U.S. offshore procurement orders placed in Belgium), and (3) agreed to extend additional credit to the E.P.U. countries. Moreover, the International Monetary Fund assisted in making the entire arrangement possible by providing \$50,000,000 in standby credits to Belgium.

As a result, the European Payments Union was enabled to continue its useful operation, and another demonstration was given of the real will to cooperate which exists in Western Europe today. However, a trade clearing and credit arrangement such as E.P.U. which covers only a limited currency area can only be temporary. Some more permanent solution must eventually be worked out.

The cooperation extended indirectly to E.P.U. by the International Monetary Fund was a good augury for the future. Certainly discussions of currency and related problems which might result between these two organizations could not but be helpful in analyzing the present disparities between the E.P.U. and dollar areas, and in clarifying the conditions of external trade and payments, and of internal financial stability that must be realized before the currencies of the two areas could become mutually convertible.

Inflationary developments in both the United States and certain European countries since the Korean War have re-emphasized the need for economic and financial stability throughout Europe. The OEEC Council has recently completed a study of this problem by a group of outstanding international financial experts, reviewing particularly the situation in the United States, the United Kingdom, France and Belgium. The report reviewed the steps already taken with some success in the several countries to check inflation, and suggested the directions in which fiscal policy and

monetary controls should deal with this problem in the future. A Ministerial Committee has accepted the report as a useful contribution in pointing the way to a greater degree of internal financial stability, and the Council has forwarded it to all OEEC countries for further consideration and comment.

### **The Chronic Dollar Balance-of-Payments Problem**

The internal and intra-European financial and payments problems, serious as they are, nonetheless are overshadowed by the balance of payments problem of Western Europe *vis-à-vis* the dollar area. This phenomenon, which has its roots in the huge excess of United States exports over its imports, has persisted in varying degree over a period of years. Unless a balance can be restored there is real danger of a deep and perhaps disastrous fissure between the economies of Europe and America. The lack of balance in Europe's foreign trade manifests itself in a perpetual shortage of dollars needed to buy raw materials, machinery and other commodities in the Western Hemisphere.

This dollar shortage has developed during the past thirty years from the huge investment losses, trade dislocations and physical damage caused by two world wars. In contrast, our own dynamic economy and production have enjoyed the advantages of a large internal market, keen competition, and expanding consumer buying power, and have far outdistanced European competition. Since World War II, Europe has been forced to rely more than ever before on imports from the dollar area. Fortunately, the economic assistance provided by the Marshall Plan has helped to meet Europe's dollar shortage during the recovery years, and has prevented possible economic and social disaster. Moreover, European economic recovery, aided by the Marshall Plan, has brought about a very considerable reduction in the dollar shortage compared with the early post-war years. During this coming year, defense support assistance and offshore procurement will again supply some part of the dollars Europe must have to carry on an adequate defense effort while maintaining a tolerable standard of living.

### **"Trade Rather Than Aid"**

Important voices on this side of the Atlantic are urging that sounder economic and trade policies be undertaken in both Europe and America to reduce the need for economic assistance. The Chancellor of the British Exchequer, Mr. Richard A. Butler, at a recent meeting of the OEEC Council of Ministers, re-emphasized the need to close the dollar gap as soon as possible by "trade and not by aid".

Balanced trade is obviously the best solution. But this solution is not easy to achieve. It will

require drastic and complementary actions on both sides of the Atlantic; both Europe and the United States must make fundamental changes in present uneconomic practices.

Western Europe must steadily become more productive, and produce at more competitive prices. European producers need within Europe a market that is both wider and deeper, in which the spur of competition and new opportunity would yield major gains in higher productivity and lower prices. The European market, separated in small compartments, no longer adequately serves the needs of the people. Existing trade restrictions and cartel arrangements fail to stimulate either mass production or mass selling. More production and better markets are essential if the economic development of Europe is not to lag still further behind that of the United States.

The free trade unions of Europe, which are steadily becoming more effective, are giving consistent support to the Mutual Security Program. They can make an important and useful contribution in solving these difficult economic and political problems.

We, too, must face hard facts. Settlement for the net export balances to the United States, running now at the rate of billions of dollars a year, can only be made, as I see it, in one of three ways. First, we can buy more in European countries, which would permit those nations to earn their own way, and at the same time would improve our own American standard of living by making more imported goods available for consumption. Second, we can invest abroad some part of the large amounts due us each month either through governmental or private investment channels, and look to the future for repayment. And finally—the third alternative—we can continue indefinitely military and economic grant programs.

During the past few years, we have been following the last of these methods of settlement and have been taxing our own people to pay for the huge excess volume of resources—both raw materials and manufactured goods—which we have been shipping to Europe. To maintain our present volume of export trade, and at the same time to be paid in full, we must greatly increase our imports from Europe and from other parts of the world.

If this simple truth were clearly understood and accepted by our own people, regardless of party, the next Administration and the new Congress would doubtless find ways and means to gradually accomplish the desired result. Among other methods to this end, I would suggest reaffirmation and extension of the reciprocal trade agreements program, enactment of the proposed legislation for simplified customs procedures, and the progressive lowering of other import restrictions and duties. Such a policy would increase Europe's capacity to pay without correspondingly reducing our exports. I believe adoption of this policy

would directly benefit the United States by increasing its economic and eventually its military security. The existing "dollar gap" threatens not only our own export trade, but if not reduced may unfavorably affect the mutual defense effort as well.

Clearly the present trade imbalance cannot be reversed overnight. The necessary adjustments in our own industry and our own markets can only be made equitably over a period of time. This fact, and the relatively greater productivity in the United States make it very unlikely that the existing gap can be closed by increased American imports alone.

### **The Possibility of Increased Foreign Investment**

A significant part of the remaining dollar gap could perhaps be filled by increased overseas investment by the United States. Under present world conditions, the normal flow of private capital is seriously impeded by political instability and existing world tensions. In the interest of our own balance of payments position, of tax reduction from lessened foreign aid, and of our own need for a stable western world, we should seek all possible means for promoting additional private investment abroad, including the strengthening and extension of the provisions for governmental guarantees. The private investor obviously should bear the normal business risks, but our own national interest requires that unusual political and exchange risks, properly and carefully defined be assumed to a greater extent on a government basis.

The Organization for European Economic Cooperation is now studying, and planning later to recommend, certain changes in economic policy which, if accepted, and implemented on both sides of the Atlantic, should help in reducing Europe's dollar gap. The Mutual Security Public Advisory Board in accordance with a Presidential request is undertaking to review American economic policy in the field of foreign trade, taking into account the curtailment of trade between the Western nations and the Soviet bloc, and the trade vacuum that might result. These somewhat parallel studies should clarify the economic and financial problems discussed in this report and will, I hope, lead to constructive action next year in both Europe and the United States. It could be very useful, either in connection with the studies already instituted by the Mutual Security Public Advisory Board or separately, to investigate thoroughly future possibilities for increased American overseas investment, with and without some form of governmental guarantee. Organizations such as the International Chamber of Commerce, the National Foreign Trade Council and the Investment Bankers Association would undoubtedly cooperate in making an exhaustive study of this subject, including an evaluation of the need and the



productive possibilities of such investments, and of the further safeguards with which they could be surrounded if appropriate action were taken by foreign governments and by our own government. The importance of increasing foreign investment by the United States was recognized by the Congress itself in the present Mutual Security legislation.

### Conclusion

The developments emphasized in the earlier parts of this report are on the whole distinctly encouraging. But I do not underestimate the hazards and difficulties of the coming months.

Even with American military and economic assistance, a number of European countries have felt compelled to alter and delay their defense efforts, particularly in the field of military production. The slippage in attaining our own production goals in the United States, as well as the requirements of the Korean War, have slowed up to some extent the delivery of military end-items. The higher priority given to military deliveries to Europe last January provides the framework within which further improvement must take place. However, the action of Congress in reducing the appropriations requested for military and economic assistance to Europe for the current fiscal year will be another influence tending to spread the defense buildup over a somewhat longer period than originally planned.

In the economic field, a better solution for Europe's chronic trade and financial problems must be found soon, or the long term consequences for the strength and solidarity of the free world could be damaging indeed.

One cannot deny that, aside from ratification of the European Defense Community Treaty and the Contractual Agreements with the German Federal Republic, many problems remain to be dealt with. For example, Italy has a special problem in its large unemployment which is being attacked both through attempts to increase jobs internally and to increase the rate of emigration to other countries. Problems like these cannot be solved by one nation alone.

Nevertheless, I am convinced that given the cooperation, good will and understanding among the members of the North Atlantic Community that have successfully overcome so many obstacles in the past, the difficulties that lie ahead can and will be resolved.

Faithfully yours,

WILLIAM H. DRAPER, JR.  
*U.S. Special Representative  
in Europe*

## U.S., U.K. Submit Joint Proposals to Iran

Press release 682 dated August 30

TEXT OF MESSAGE TO THE PRIME MINISTER OF IRAN FROM THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER OF GREAT BRITAIN, DELIVERED AUGUST 30, 1952

*To His Excellency  
Dr. Mohammad Mossadegh,  
Prime Minister of Iran*

We have reviewed the messages from our two Embassies in Iran regarding recent talks with you, as well as your communication of August 7, 1952, to the British Government. It seems clear to us that to bring about a satisfactory solution to the oil problem will require prompt action by all three of our Governments. We are attaching proposals for action which our two Governments are prepared to take and which we sincerely hope will meet with your approval and result in a satisfactory solution. We are motivated by sincere and traditional feelings of friendship for the Iranian nation and people and it is our earnest desire to make possible an early and equitable solution of the present dispute.

HARRY S. TRUMAN  
WINSTON S. CHURCHILL

### *Proposals*

1. There shall be submitted to the International Court of Justice the question of compensation to be paid in respect of the nationalization of the enterprise of the AIOC<sup>1</sup> in Iran, having regard to the legal position of the parties existing immediately prior to nationalization and to all claims and counterclaims of both parties.

2. Suitable representatives shall be appointed to represent the Iranian Government and the AIOC in negotiations for making arrangements for the flow of oil from Iran to world markets.

3. If the Iranian Government agrees to the proposals in the foregoing two paragraphs, it is understood that (a) representatives of the AIOC will seek arrangements for the movement of oil already stored in Iran, and as agreements are reached upon price, and as physical conditions of loading permit, appropriate payments will be made for such quantities of oil as can be moved; (b) Her Majesty's Government will relax restrictions on exports to Iran and on Iran's use of sterling; and (c) the United States Government will make an immediate grant of \$10 million to the Iranian Government to assist in their budgetary problem.

<sup>1</sup> Anglo-Iranian Oil Company.



## The Interdependence of Foreign and Domestic Policy

*Following is the summary of an address made on August 26 by W. Averell Harriman, Director for Mutual Security, before the first general session, forty-eighth annual meeting of the American Political Science Association, Buffalo, N. Y.*

Tracing the relationships between domestic and foreign policies in the political, psychological, economic, and military fields, Mr. Harriman said that "we must all learn to approach questions of national policy in a world context whether the major aspects of the particular question involved are domestic or foreign."

Mr. Harriman declared that political stability is directly related to economic stability and stated that "whether certain nations can remain free or fall victim to Communist subversion rests to a frightening degree upon our ability to maintain an expanding and stable economy in this country."

Pointing out that the U.S. population represents only 10 percent of the people of the free world but turns out over 50 percent of the free world's gross production of goods and services, Mr. Harriman said that "our every action in the economic sphere has direct and major consequences—often magnified consequences—for the rest of the free world and therefore for our whole foreign policy." As an example, Mr. Harriman recalled that in the latter half of 1949, when the gross national product of the United States declined about 3½ percent compared with the same period of 1948, our total imports declined more than 10 percent, those from the Marshall Plan countries as a group over 20 percent, and those from certain individual countries over 40 percent. "Thus a minor fluctuation in our economic activity at home," he said, "can have disastrous consequences on the economies of our friends and allies."

Mr. Harriman said that the interdependence of the United States and other free world economies has "direct and immediate implications" for U.S. trade and tariff policies, and then pointed out the growing dependence of this country for imported supplies of raw materials. Referring to the re-

port of the President's Materials Policy Commission,<sup>1</sup> Mr. Harriman pointed out that some 20 or 25 years from now, the United States will have to obtain from abroad three to four times the volume of net materials imports of today in order to maintain our expanded economy. In this connection, he continued:

Without increased availabilities in the relatively underdeveloped areas of the world, the very physical base of an expanding American economy will be lacking. This in turn calls for a policy of fostering balanced development in the underdeveloped areas. For make no mistake about this: access to raw materials sources abroad is not merely a matter of going in and digging wherever they are to be found. Investment must be on terms that the peoples of the underdeveloped areas will accept; it cannot be old-fashioned exploitation; it must take the form of balanced development that promotes—as it can—the interests of supplying and consuming countries alike. It must take account of the vigorous nationalism in the areas recently freed from colonialism and of the deeply ingrained fears of the raw materials producers—born of long experience—of a feast and famine economy.

"If we are to have access to the raw materials we shall need so desperately in the next two decades," Mr. Harriman continued, "the producing nations must remain free from Soviet domination and friendly to the rest of the free world. This emphasizes not only the wisdom but the pressing necessity of our Point Four Program under which American technical assistance and a relatively small economic contribution already is beginning to work miracles by stamping out disease and increasing food production."

Turning to the question of defense, Mr. Harriman said that "the inseparability of our military security and the military security of our allies is obvious." "Equally clear," he added, "is the impact of the military needs of the free world, both for our own forces and our allies, on our budget, on our national debt, on our tax levels. The American divisions standing with our allies in Western Germany, our troops in Korea, our airfields in Morocco, our equipment in Indochina are

<sup>1</sup> For a digest of vol. I of the Commission's report, see BULLETIN of July 14, 1952, p. 55.

every bit as much a part of our national defense as an infantry division training in Louisiana."

Mr. Harriman reviewed the major foreign policy steps undertaken by the United States to strengthen the resources of the free world against Kremlin aggression and subversion and stressed the vital role of the Mutual Security Program in this connection. While this Program involves large expenditures, Mr. Harriman pointed out that the combined military, economic, and Point Four aspects of the Program take less than 8 percent of the total U.S. budget.

"The fear that haunts the Kremlin today," Mr. Harriman said, "is that the mad Communist dream of conquering the world, already being frustrated, will be shattered forever by an unshakable alliance of all the free nations."

Stating that the leadership of this country in forging unity in the non-Communist world both in Europe and in Asia "has knocked the Kremlin off balance and is taking the initiative away from Stalin in many parts of the world," Mr. Harriman said that Russia and Communist parties everywhere are "now engaged in an hysterical campaign to offset our growing strength and unity by driving a wedge between the United States and its allies around the world. Every technique of political and propaganda warfare is being and will be used for this purpose," Mr. Harriman said. He then referred to the "hate America" campaign of Communist propaganda and spoke of the Communist efforts to "smear America and Americans, to stir up suspicion and distrust by distorting the motives and policies of our friends and ourselves, and to exploit the differences that are bound to arise between free peoples working together in voluntary association."

"Like every world aggressor before him," Mr. Harriman said, "Stalin is seeking to divide the free peoples so he can take them over one at a time. Our survival," he added, "depends upon our ability to build and preserve the unity of the diverse peoples who share a basic faith in freedom and the dignity of mankind."

"No greater responsibility could be placed upon any nation than the responsibility we face today to understand our free world partners, to understand that the whole world is watching everything we do, and to conduct ourselves so that we shall help to cement the free world unity that is the one answer to the menace of world disaster," Mr. Harriman said. "To do this," he added, "we must keep ever in mind that almost everything we do at home is directly and inseparably related to the success of our foreign policies—whether in the field of civil liberties and civil rights, or in social progress in education, housing, and health, or in the rights of labor to organize, or in the improvement of economic opportunity and security for all. The time has passed," Mr. Harriman said, "when we can think of these things as purely domestic affairs."

Pointing to deep social unrest in many parts of the world, Mr. Harriman concluded:

The world situation today calls for a continuation and broadening of progressive, liberal, and dynamic foreign policies. We have sponsored successfully such policies under the Marshall Plan, the Point Four Program, the NATO treaty, the system of Pacific alliances, the programs for inter-American cooperation, and in many other ways. These policies already have stalled and rolled back the march of Kremlin imperialism—beginning in Iran in 1946, and then in Greece, in Berlin and Western Europe, in Korea, in Indochina, in the Philippines, and elsewhere. We know that we still stand in grave danger, but we also know that we are on the right road; we can be confident that if we continue and strengthen the policies we are following we shall come to the day when the free world, with its vastly superior spiritual and material resources, will stand organized in such strength and unity that we can live without fear. When that day comes, the internal tensions that permeate the unnatural and inhuman slave system behind the Iron Curtain will loosen the grip of the dictator and the forces of disintegration will set in.

## Press Assertions Relating to AHEPA

Press release 663 dated August 25

An article appearing in the *Washington Times Herald* on August 23 charged that the Department of State had asserted its influence to obtain the introduction and passage of certain resolutions by the American Hellenic Educational Progressive Association (AHEPA) Conference then in session at Washington.

The article stated that three resolutions were adopted by the conference at the request of the State Department. It said the resolutions were presented by a State Department official, "who identified himself as Mr. Kusaila."

In no manner did the Department propose any of the resolutions presented to the conference of this organization. It had no part in the presentation or introduction of any of the resolutions mentioned in the news report.

The "Mr. Kusaila" mentioned in the article is Joseph Kusaila, a member of the European Branch of the International Press Service of the International Information Administration. He attended the conference only to report the proceedings of the meeting for the Department's International Information Program. He did not receive nor ask for any privileges not accorded to any members of the press in attendance. Mr. Kusaila did make known his interest in obtaining copies of whatever resolutions might be adopted to the chairman of the association's Resolutions Committee. Articles prepared by him were for use in the Department's *Wireless Bulletin* and VOA broadcasts, particularly those sent to Greece.

Mr. Kusaila in no way participated in the presentation of the resolutions mentioned in the press report, nor did he suggest topics for any of the resolutions presented to the conference. He had no knowledge of the content of the proposed resolutions prior to their distribution to the press.

## **U.S., U.K., France, and Switzerland Sign German Property Agreement**

Press release 679 dated August 29

On August 28 an agreement was signed at Bern between Switzerland, France, the United Kingdom, and the United States concerning German property in Switzerland.

The agreement will become effective upon approval by the appropriate Swiss authorities and upon approval by appropriate Swiss and German authorities of separate but related agreements concluded on August 26, 1952, between the German Federal Republic and the Swiss Confederation with regard to German property in Switzerland and certain Swiss claims against Germany. Complete texts of these related agreements are not presently available, but will be released for publication when received by the Department.

Under the terms of the present agreement, the sum of 121,500,000 Swiss francs will be paid by the Swiss Government to the three Allied Governments for distribution in accordance with the terms of the Paris Reparation Agreement of 1946 and decisions of the Inter-Allied Reparation Agency. The Swiss Government will, in turn, receive the stated sum from the Federal Republic of Germany. Upon payment of this sum to the three Allied Governments, the provisions of the Washington Accord of May 25, 1946, which called for the total liquidation of German assets in Switzerland and the division of the proceeds in equal measure between Switzerland and the Allied Governments, will cease to have effect with regard to German assets in Switzerland owned by persons who are residents of the Federal Republic of Germany and the Western sectors of Berlin. These assets will, instead, become subject to the Swiss-German agreement of August 26, which sets forth the procedures for raising the funds required for the payment to be made to the three Allied Governments.

The agreement between Switzerland, France, the United Kingdom, and the United States also includes a number of letters which were exchanged between the signatory countries and which record understandings reached in the course of negotiating the agreement.

Following are (1) Text of the Swiss-Allied Agreement; (2) Synopsis of the Swiss-German Agreement of August 26; and (3) Summary of letters included in the Swiss-Allied Agreement of August 28.

### **AGREEMENT BETWEEN SWITZERLAND, FRANCE, THE UNITED KINGDOM, AND THE UNITED STATES CON- CERNING GERMAN PROPERTY IN SWITZERLAND**

The Government of the Swiss Confederation (hereinafter referred to as the Swiss Government), on the one hand, and the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America (hereinafter referred to as the Three Governments), on the other

Having concluded an agreement on May 25, 1946, at Washington, D.C. (hereinafter referred to as the Washington Accord),

And taking into consideration the agreement entered into between the Swiss Confederation and the Federal Republic of Germany concerning German property in Switzerland on August 26, 1952, at Bonn, (hereinafter referred to as the Swiss-German Agreement),

#### **HEREBY AGREE AS FOLLOWS:**

##### **Article 1**

The Swiss Government shall without delay pay in favor of the Three Governments into an account to be opened with a banking institution designated by the Three Governments the sum of Swiss Francs 121,500,000, which, under the terms of the Swiss-German Agreement, will be paid to the Swiss Government by the German Federal Government within two weeks after the receipt by the German Federal Government of notification of the entry into force of the present agreement, subject, however, to the deduction from said sum of Swiss Francs 20,000,000 which have been advanced by the Swiss Government in accordance with Section V of the Annex to the Washington Accord.

When payment into the designated account is made, the obligations of all parties to the Washington Accord with respect to German assets in Switzerland which are owned by persons who are resident in the German Federal Republic and in the Western Sectors of Berlin shall be regarded as discharged and the provisions of the Accord and the Annex thereto shall cease to have effect with respect to such assets, and the claims of the Three Governments and of the governments on whose behalf they are acting to such assets shall be regarded as finally settled.

The provisions of this agreement shall be without prejudice to the position of any country, party to this agreement, respecting the application, interpretation and fulfillment of such provisions of the Washington Accord as are not affected by this agreement.



#### Article 2

The legislation existing in Germany concerning the vesting and marshalling of German external assets shall be deprived of effect with regard to German holders of assets in Switzerland by the elimination of Switzerland from the list of countries in the schedule to Allied High Commission Law No. 63.

#### Article 3

The terms of this agreement and of the Swiss-German Agreement, shall be without prejudice to any position which a country that is a member of the Inter-Allied Reparation Agency may take respecting any inter-custodial agreement concluded or to be concluded between the Swiss Government and such country.

#### Article 4

Nothing in this agreement or in the Swiss-German Agreement shall be deemed to confer upon any person or government rights regarding any property under the jurisdiction of any country which was at war with Germany after September 1, 1939.

#### Article 5

The Swiss Government is acting in respect to this agreement also on behalf of the Principality of Liechtenstein. The Three Governments are acting in respect to this agreement on behalf of the countries which are members of the Inter-Allied Reparation Agency.

#### Article 6

This Agreement shall enter into force when:

(a) The Three Governments have been notified by the Swiss Government that this agreement has been approved by the appropriate Swiss authorities, and

(b) The agreements between the Swiss Confederation and the Federal Republic of Germany concerning German property in Switzerland and concerning settlement of the claims of the Swiss Confederation against the former German Reich become effective.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE in quadruplicate at Bern on the 28th day of August, 1952, in English and French, both texts being equally authentic.

#### SYNOPSIS OF THE SWISS-GERMAN AGREEMENT OF AUGUST 26, 1952

The payment called for under the Swiss-Allied Agreement will be financed in the first instance from contributions from German owners of property in Switzerland in the amount of one-third of the value of their assets. Assets of owners who fail to make this contribution will be entirely liquidated and the counter-value in German marks will be paid to the owner by the Federal Government of Germany. Exempted from the contributions or from liquidation will be properties with a total value of less than 10,000 Swiss francs and properties of owners in certain categories such as persons who have suffered persecution in Germany for racial, political, or religious reasons, persons who, in addition to German nationality, also held on February 16, 1945, nationality of another country, and firms organized under German law or having their seat in Germany, in which non-German nationals had a majority of interest. In case of non-German participation in firms otherwise subject to contribution, a 25 to 50% non-German interest will be duly protected.

The necessary administrative measures will be taken by the Swiss Compensation Office, which will send notification to all owners of property affected by the agreements that they may either make the stipulated contribution in order to have the rest of their property unblocked or re-

quest release of their property if they fall within the exempted categories.

Article 20 of the Swiss-German Agreement defines property of German owners as assets of any description located in Switzerland and acquired before January 1, 1948, with the exception of claims secured by mortgages or real estate in Germany and securities of German issue and denomination in German currency.

The three Allied Governments have informed the Swiss Government that they interpret the term "German property in Switzerland" as defined in this Article as not including property within the jurisdiction of any country which was at war with Germany during World War II except to the extent such property is released to Switzerland pursuant to bilateral arrangements concerning inter-custodial problems.

#### SUMMARY OF LETTERS INCLUDED IN SWISS-ALLIED AGREEMENT OF AUGUST 28, 1952

1) It is agreed that the Washington Accord will cease to have effect with respect to property in Switzerland owned by residents of the Saar and that the Swiss Government will unblock such property immediately after the coming into force of the present Agreement.

2) It is agreed that upon the coming into effect of the present Agreement, the Joint Commission established under the Washington Accord of May 25, 1946, will be abolished.

3) The three governments request that the Swiss Government will give sympathetic consideration to the application for the relief and rehabilitation of victims of Nazi actions, of assets of Nazi victims who died without heirs, in the event such assets should be found to exist in Switzerland. The Swiss Government expresses agreement with this request.

4) It is recognized that the respective positions of the parties to the Accord with respect to Articles 4 and 6 of the Accord are unchanged.

5) The Swiss Government acknowledges that the provisions of the Swiss-German Agreement of August 26 relating to the protection of interests of non-German nationals, of victims of persecution and of persons to whom property is returned under restitution procedures can be changed only with the concurrence of the three Allied Governments.

6) The Swiss Government states that it is prepared to take into account foreign interests in companies outside of Germany and Switzerland in which there is a German interest of 50% or more, provided that the foreign interest amounts to 25% or more and provided that comparable protection is available to similar Swiss interests in property under the jurisdiction of the other country. (The Swiss have also stated that they are prepared to afford protection to American interests of the type described and have expressed the firm hope that similar Swiss interests in property in the United States will be protected).

#### Preoccupation Bank Deposits in Soviet Zone of Germany

Press release 678 dated August 28

The Department of State has been informed of the extension to September 30, 1952, of the deadline for the filing of applications for the conversion into East mark accounts of preoccupation reichsmark deposits in financial institutions in the Soviet zone of occupation of Germany or in German areas east of the Oder-Neisse line.

Under currency-reform legislation enacted in

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those areas in 1948, applications for the conversion of such accounts had to be submitted to the Banken-Kommission, Taubenstrasse 26, Berlin W 8, Germany, before December 31, 1950, to prevent the cancellation of the deposits.<sup>1</sup>

According to information recently received by the Department, an East German law of May 30, 1952, extends to September 30, 1952, the period for the filing of conversion applications. Applications should be submitted to the Deutsche Notenbank, Franzosische Strasse 42/44, Berlin W 8, the successor to the Banken-Kommission. Supporting documents may be filed before December 31, 1952, and should include confirmation of the balance of the account as of May 9, 1945, from the bank where the account was originally maintained.

## **U. S. Members, Conciliators' Panel, Brussels Intercustodial Agreement**

Press release 658 dated August 25

Malcolm S. Mason, formerly General Counsel of the Office of Alien Property, and Owen J. Roberts, formerly Associate Justice of the Supreme Court of the United States, have been elected as U.S. members of the Panel of Conciliators set up under the "Agreement Relating to the Resolution of Conflicting Claims to German Enemy Assets," otherwise known as the Brussels Intercustodial Agreement.

Article 35 of the Brussels Intercustodial Agreement, which was signed by the United States, Canada, Belgium, Denmark, Luxembourg, and the Netherlands and which went into effect as to these countries January 24, 1951,<sup>2</sup> provides that each signatory party may nominate not more than three candidates for election to the Panel of Conciliators. Article 35 further provides that the parties to the agreement shall elect from the candidates seven conciliators, who shall constitute the panel. However, not more than two nationals of the same country may be elected to the panel. In addition to Malcolm S. Mason and Owen J. Roberts, the following were elected:

Jacques Rueff, France (President)  
Marcel H. Bregstein, Netherlands  
Georges Kaeckenbeeck, Belgium  
Jens Herfelt, Denmark  
Lambert Schaus, Luxembourg

Article 37 of the Brussels Intercustodial Agreement provides that in the event a dispute between the parties to the agreement is not resolved within a reasonable time, a party may request the appoint-

<sup>1</sup> For text of Department's announcement to this effect, see BULLETIN of Dec. 18, 1950, p. 984.

<sup>2</sup> For text of Department's announcement thereto, see BULLETIN of Feb. 19, 1951, p. 294.

ment of a conciliator from the panel for settlement of the dispute. The solution formulated by the conciliator shall be final and binding upon the parties concerned.

The types of claims covered by the Brussels Intercustodial Agreement are those where the alien property custodians of two countries both claim the same German external asset, or where an alien property custodian claims that certain property is a German external asset and a national of a friendly country claims the property is owned by him beneficially through an intermediate corporation. With regard to this latter type of case, reference is made to the Department of State BULLETIN of May 26, 1952, p. 821, for Department announcements requesting American claimants who have interests in property falling under the agreement, or in other property in allied or neutral countries, which has been seized or blocked as enemy property, to submit information to the Department of State on the basis of which the Department might take action to protect their interests.

In addition to the above six signatories as of January 24, 1951, four Latin American countries have adhered to the agreement: Honduras, October 8, 1951; Nicaragua, October 23, 1951; Cuba and Haiti, October 24, 1951. Any dispute involving these countries is likewise subject to settlement by a conciliator from the panel.

## **Claims Involving U.S. Interests Seized as German Enemy Property**

Press release 667 dated August 26

Notice is hereby given that under article 23 of the Brussels agreement relating to the resolution of conflicting claims to German enemy assets (the Brussels Intercustodial Agreement) claims of Americans who have certain interests in property in Honduras, Nicaragua, Cuba, and Haiti seized or blocked as German enemy property must be sponsored by the State Department and received by the country in which the property is located within one year of that country's adherence to the agreement. The various deadlines are accordingly: Honduras, October 8, 1952; Nicaragua, October 23, 1952; Cuba and Haiti, October 24, 1952.

The type of claim falling under article 23, in general, involves property of any kind in Honduras, Nicaragua, Cuba, and Haiti owned by a corporation or other enterprise organized under the laws of Germany in which corporation or enterprise Americans are shareholders, bondholders, or have any other form of participation.

Americans with this type of claim are requested to submit *forthwith* information thereon to the Department of State, so that the Department may examine the claim and, if appropriate, transmit it

within the time limit to the country concerned as a sponsored claim under the Brussels Intercus-todial Agreement.

Communications to the Department should be addressed to Adrian S. Fisher, Legal Adviser, Department of State, Washington 25, D. C.; should refer to the present press release; and should contain information as to the kind of property, the country in which it is located, the interest of the American claimant in the property, the estimated value of such interest, the residence and nationality status of the claimant, and any facts which would be helpful in tracing the American interest into the property in question. Communications should also refer to any prior correspondence with the Department of State.

In the present connection reference is made to related press releases for background information: no. 92 of February 6, 1951; no. 93 of February 6, 1951; no. 1086 of December 12, 1951; no. 365 of May 8, 1952; and no. 658 of August 22, 1952.<sup>1</sup>

It should be pointed out that press release no. 93, dealing with "American Interests in Property in Allied or Neutral Countries Seized or Blocked as 'Enemy' Property," is broader than the present press release, and requests information as to property in all Allied or neutral countries which has been seized or blocked as German, Japanese, Italian, Bulgarian, or Hungarian and whether the American interest is direct or indirect.

## Survey of Point Four Program in Latin America

Press release 674 dated August 28

Stanley Andrews, Administrator of the Technical Cooperation Administration, Department of State, left on August 28 with two of his staff for Habana, Cuba, on the first leg of a tour of eight Latin American countries to survey the work of the Point Four Program.

He is being accompanied by Paul Duncan, Director of TCA's Program Information and Reports Staff, and Omar B. Pancoast, Director of the Program Planning Staff.

Besides Cuba, the Administrator and his party will study activities of technicians and management of the program in Peru, Bolivia, Paraguay, Brazil, Panama, Costa Rica, and Nicaragua. They will return to Washington about September 28.

The Point Four Program is operated in Latin America through the Institute of Inter-American Affairs, an integral part of TCA, which pioneered in technical cooperation with underdeveloped areas.

<sup>1</sup> See BULLETIN of Feb. 19, 1951, pp. 293 and 294; *ibid.*, Dec. 24, 1951, p. 1013; *ibid.*, May 26, 1952, p. 821; *post.*, p. 364.

Joint projects are carried on by 19 individual countries with technical assistance from the United States, partly through the mechanism of "servicios," in addition to other projects which the TCA assists financially through the United Nations and the Organization of American States.

At the end of July, there were 541 U.S. technicians and other personnel in Latin America working with a much larger number of Latin American technicians in the fields of health and sanitation, education, agriculture, forestry and fisheries, natural resources, labor, transportation and communication, industry, public administration and government services, social services, and housing. Congressional appropriation for the work there in the present fiscal year is in the amount of \$20,329,000.

## International Monetary Fund and Bank Activities

### *Loan to Colombia*

The International Bank for Reconstruction and Development on August 26 made a loan of 25 million dollars to Colombia. Twenty million dollars of the loan will be used to help build a railroad in the Magdalena River Valley; the rest will help build and equip railroad repair shops in Bogotá. Both projects are part of a broad program being carried out by the Government for the improvement of the Colombian National Railroads.

The Magdalena Valley line will be 235 miles long and will connect the country's eastern and western rail networks. It will provide all-rail transport between the port of Buenaventura on the Pacific coast and the areas of Bogotá and Medellín, as well as a fast and reliable river-rail route between central Colombia and the Caribbean ports. At present, traffic through the valley is carried on the Magdalena River, but on some sections of the river, navigation is subject to frequent interruptions in dry seasons. The railroad will supplement river transport in those sections.

The new repair shops will provide facilities for proper reconditioning and maintenance of rolling stock, which now lies idle for long periods awaiting repair. With this rolling stock in good condition, the efficiency of rail service will be improved and the need for additional cars and engines for the Magdalena Valley railroad and all the connecting lines will be reduced.

The Bank's loan will be used to pay for imported equipment and services needed to build the new railroad and the repair shops. The imported goods to be financed are mainly structural steel, rails, work trains, and construction equipment for the new railroad, and machinery and tools for the



new Bogotá shops. The total cost of the projects is estimated at 49 million dollars (122 million pesos)—25 million dollars in foreign exchange and 24 million dollars in Colombian pesos. The work will be carried out by experienced engineering and construction firms under contract with the Ministry of Public Works and is scheduled for completion by late 1956.

Building the Magdalena line and constructing the repair shops are integral parts of a comprehensive railway program being undertaken by the Government to eliminate conditions that are imposing a serious burden on almost every sector of the economy. At present, shipping costs are heavy, deliveries are often delayed, there is excessive breakage and pilferage of shipments, and insurance rates are high.

The program for railway improvement includes physical rehabilitation of existing facilities and a thorough reorganization of the National Railroads. Under the reorganization, the railways will be administered by an autonomous corporate body, with an independent manager and board of directors. Present operating procedures will be overhauled to get more intensive use of rolling stock, to increase the serviceability of equipment, and to improve the effectiveness of labor. The reorganized properties will be administered on the public-utility principle of providing the best possible service at the lowest possible charges consistent with a reasonable return on investment. The Government will assume the outstanding debt of the railroads and provide equity capital to cover local currency costs of the program. The railroads will pay to the Government the peso equivalent of the amortization, interest, and other charges of the Bank's loan.

Today's loan is the sixth made by the Bank to Colombia and brings the total of these loans to \$55,030,000. The Bank previously loaned a total of \$8,530,000 for hydroelectric projects in the areas of Cali, Manizales, and Bucaramanga; \$5,000,000 for the purchase of agricultural machinery; and \$16,500,000 for a program of highway construction and rehabilitation.

The Government of Colombia has been working closely with the International Bank in drawing up and carrying out plans for Colombia's economic development. A general survey mission jointly sponsored by Colombia and the Bank made a survey of the country's economic resources in 1949-50, and the Colombian Government subsequently established an Economic Development Committee, a nonpartisan group of leading private citizens, to outline an over-all development program based on the mission's report. Both the mission and the Committee gave priority to the construction of the new Magdalena Valley railroad as a first step in a comprehensive railroad improvement program. Construction of the railroad has been approved by the National Planning Board, which the Government created in April 1952, to

coordinate investment in Colombia's development program.

The Bank's railway loan of 25 million dollars is for a term of 25 years and bears interest at the rate of  $4\frac{3}{4}$  percent per annum including the 1 percent commission which, in accordance with the Bank's articles of agreement, is allocated to a special reserve. Amortization payments will begin on August 15, 1957.

After approval by the Bank's executive directors, the loan agreement was signed by Cipriano Restrepo-Jaramillo, Colombian Ambassador to the United States, on behalf of the Republic of Colombia, and by Eugene R. Black, President, on behalf of the International Bank for Reconstruction and Development.

### *Loan to Iceland*

The International Bank for Reconstruction and Development on August 26 made a loan to Iceland to help finance the construction of a nitrogen fertilizer plant. The loan was made in various European currencies equivalent to \$854,000. The plant will save foreign exchange and make enough fertilizer to meet the country's increasing needs for some years. Iceland now imports all its chemical fertilizers.

Conditions of soil and climate in Iceland require heavy applications of nitrogen fertilizer, and an increase in agricultural production depends upon a plentiful supply. More intensive use of pasture lands will result principally in the increased production and export of lamb, mutton, and wool, thus bringing about a better balance in Iceland's economy by lessening her dependence on fishing.

Operating at full capacity, the new fertilizer plant will produce about 18,000 tons of ammonium nitrate a year. This is substantially above the current rate of consumption, but a gradual increase in the use of fertilizer is expected, and eventually the whole output will be used in Iceland. In the meantime, the surplus will be exported.

The loan is closely related to two previous loans made to Iceland by the International Bank. Like the loan of £360,000 (\$1,008,000) made in November 1951 to finance farm improvements, it should help to raise agricultural productivity. It is also related to the loan of £875,000 (\$2,450,000) made in June 1951 for development of power on the Sog and Laxa Rivers. The hydroelectric project on the Sog River will provide the power for the fertilizer plant. The plant will be operated so as to make the fullest use of electricity at times of day when other demands for power are low.

The plant will be operated by a corporation which will obtain most of its funds from the Government. The total cost of the plant is estimated at the equivalent of 7 million dollars, of which the

foreign-exchange cost is equivalent to 4.3 million dollars. Most of the foreign exchange is being provided by the Mutual Security Agency of the United States. The Bank's loan, equivalent to \$854,000, will provide European currencies for the purchase of rectifier equipment, cement, reinforcing steel, lumber, building materials, and window glass. The remaining cost of the project, amounting to the equivalent of 2.7 million dollars will cover labor and materials provided locally.

The Bank's loan is for a term of 17 years and carries interest at the rate of  $4\frac{3}{4}$  percent per annum, including the 1 percent commission which, in accordance with the Bank's articles of agreement is allocated to its special reserve. Amortization payments will begin on June 1, 1954.

After approval by the Bank's executive directors, the loan agreement was signed by Thor Thors, Minister of Iceland to the United States, on behalf of the Government of Iceland, and by Eugene R. Black, President, on behalf of the International Bank for Reconstruction and Development.

#### *Jordan Becomes Member*

The Hashemite Kingdom of Jordan on August 29 became a member of the International Monetary Fund and the International Bank for Reconstruction and Development when the articles of agreement of these institutions were signed at Washington on behalf of the Government of Jordan by Yusuf Haikal, Minister to the United States.

Jordan's quota in the International Monetary Fund is 3 million dollars and its subscription to the capital stock of the Bank is 30 shares with a total par value of 3 million dollars.

Fifty-four nations are now members of the Fund and of the Bank. Admission of Jordan brought the total of members' quotas in the Fund to \$8,736,500,000. The total subscribed capital of the Bank is now \$9,036,500,000.

#### *August Transactions, Monetary Fund*

The International Monetary Fund on September 1 announced that during the month of August the Fund sold \$30,000,000 (U.S.) to the Government of Australia, and received a repurchase payment amounting to \$25,500,000 (U.S.) from the

Government of Brazil and a provisional repurchase payment of \$27,121,500 (U.S.) from the Government of the Netherlands.

The transaction with Australia was effected pursuant to an arrangement announced last April. At that time, the Fund agreed to a purchase of \$30,000,000 for Australian pounds that could be completed at any time before September 30.

The payment by Brazil, which reduces the Fund's holdings of cruzeiros by a corresponding amount, completes a series of three repurchases by the member in June, July, and August amounting in all to 65.5 million dollars.

The payment by the Netherlands was accepted subject to the receipt of further data on the members' monetary reserves.

The Fund's exchange transactions to date total \$892,408,380. Repurchases in gold and U.S. dollars total \$184,693,538.

## **Appointments**

### *U.S.-Brazil Joint Commission for Economic Development*

Press release 660 dated August 25

President Truman has appointed Merwin L. Bohan as U.S. member on the United States-Brazil Joint Commission for Economic Development, the Department of State announced on August 25. Ambassador Bohan previously served in an acting capacity in this position following the death of Francis Adams Truslow in 1951. The Ambassador, who is now in Brazil, is on detail from his assignment as U.S. representative to the Inter-American Economic and Social Council of the Organization of American States.

### *Inter-American Economic and Social Council of OAS*

Press release 659 dated August 25

Julian C. Greenup, a Foreign Service career officer for approximately 30 years, has been appointed acting U.S. representative to the Inter-American Economic and Social Council of the Organization of American States, the Department of State announced on August 25.

## HUMAN NEEDS ARE WORLD NEEDS

*by Frances K. Kernohan*

The very nature of civilization in the world today brings us closer to world-wide human need. In the words of Mark Twain, "Human nature is so prevalent." We are faced with the urgency of creating an environment in which we can live at peace. The rapid advances of the physical sciences have resulted in a contraction of time and space. Communication advances make possible the knowledge of events shortly after they have taken place. In the span of a few years, distant areas of the world have become a matter of hours rather than of months. A vast amount of technical knowledge is now available to mankind. The countries with technical know-how are making their knowledge available to meet human needs wherever they may be and are thereby helping create the economic and social stability essential to a world at peace.

### **What Are These Needs?**

What are these human needs that are world needs? The human needs to which I refer are the changeless basic needs that man has had since the beginning of time—the need for food; the need for shelter; the need for security; the need for independence. You will recall that in August 1941 the Atlantic Charter expressed the hope that a peace would be established which would afford to all nations the means of dwelling in safety within their boundaries and which would afford assurance that all men in all lands might throughout their lives live in freedom from fear and freedom from want.

### **Who Are These People?**

Let's pretend that you readers are a cross section of the 2,400,000,000 persons in the world. Let's try to estimate your chances of living a happy, healthy, decent, and useful life. If you are born this year, then on the same day more than 200,000 other babies will be born all over the world. You will have less than one chance in twenty of being born in the United States. Your chance of being born in the Soviet Union will be not much better.

You will probably be colored. You and the 200,000 other babies are going to be born all over the planet, and there are just not enough openings in the places where the white race lives. You must take your chances with the other babies, and the chances are you will be colored—colored black, or colored brown, or colored yellow. Your chances of being born white this year are not more than one in three. Your chances of being Chinese are one in four; of being born in India, better than one in nine. You have only about one chance in four of being born a Christian. It is far more likely that you will be born a Confucian, or a Buddhist, or a Mohammedan.

Eight out of ten of you would work the soil and expend your energy in producing enough food to survive. At least six out of ten of you would not be able to read or to write. By our U.S. standards, most of you would be very young, for the life expectancy for two-thirds of mankind is less than 35 years. Many of you would be diseased. There are more than 300,000,000 cases of



malaria in the underdeveloped areas of the world today. Two-thirds of you would live in the underdeveloped areas and would belong to that two-thirds of mankind born into misery and poverty.

Can one-third of mankind carry the responsibility for the other two-thirds? Patently not. There are not funds available. The best the one-third can do is to help the two-thirds obtain a start on the road to their economic, social, and political stability. They seek help. They want to help themselves. They want independence—not dependence. Let us remember, for example, that the people of India, Israel, and Pakistan make up new nations. They are proud and sensitive. They carry heavy individual tax burdens. They accept strict rationing because they believe in themselves and in their future. Those who are social workers have come to know what such factors mean in the lives of individuals. The prognosis is good when the individual wants to help himself—when he *seeks* to help himself.

#### **Is the World Facing These Needs?**

Over a year ago in Washington such phrases were heard as “a world beset with too rapid social change.” Early in April at a National Conference on International Economic and Social Development, students, representatives of industry, and our public officials faced the reality of the times by using the phrase “social revolution.” For us, the simple political reality is that we cannot survive as a free people if the two-thirds of mankind remains depressed and are sucked into the Soviet orbit. What would happen if the Near East and South Asia were lost to the world? Perhaps for a while we could maintain America as a fortress surrounded by a seething and a bitter world. The Soviets as well as we know in what conditions the two-thirds live. They know that the depressed of mankind recognize that near starvation, disease, and early death need not be the only way of life.

The question is, is the world facing these needs? I read not long ago an excellent analysis of the impact which these human needs are making on the world. Henri Laugier, former Assistant Secretary General in Charge of Social Affairs of the United Nations, reviewed the work of the Social and Humanitarian Committee of the General Assembly. His review took into account the various subjects discussed in that Committee since its in-

ception. Mr. Laugier reported the fact that on such subjects as the colonial clause in the Human Rights Covenant, freedom of information, the right of self-determination, a majority of some 30 to 35 states (made up of most of the South American countries, Middle Eastern countries, Asiatic, and Soviet states) joined together against a minority of 12 to 16 votes of the highly developed states such as Great Britain, the United States, France, Belgium, and Australia.

Mr. Laugier asks, “What does this mean?” He replies to his own question by saying that what it means is that in the Social Committee of the United Nations, where governmental pressure is not as great as in the political, economic, trusteeship, or financial committees, the highly developed countries have lost the control, the leadership of the international community; that this control and this leadership have gone over to the disinherited countries. He goes on to say that it means and signifies that there exist today in the world several hundred million men, women, and children who are leading a life which is not fit for a human being, in slums and with insufficient food, among sickness, ignorance, and illiteracy; and who, today, in this world of technical progress, are not willing to resign themselves to this fate. He points out that the same problem existed 50 or 100 years ago. At that time these men came into the world, lived and died on their own land like plants and animals. Today, in this scientific world, they know that within reach by plane, a few hours from misery, there exist countries where there is plenty of everything.

And they no longer resign themselves to their sad fate; they demand, discreetly today, imperatively tomorrow, an international night of August 4, 1789, when in France all feudal rights and privileges of the nobility were relinquished to the constituent assembly. The disinherited countries are arising to ask that these states abandon their privileges—states which history and geography have made into privileged countries.

#### **Meeting the Challenge**

What is the free world, including the two-thirds, doing to meet the challenge of the need for food, for health, for the physical strength to produce a day's work, for the power to read, write, and govern? Much more is being done to cope with man's economic and social problems than can be

gleaned from a review of the daily news, which is dominated by urgent political issues. The disinherited are helping themselves through their participation in the United Nations and under their own plans. You will find in the composition of the General Assembly, various other U.N. bodies, the specialized agencies, and the U.N. International Children's Emergency Fund, virile representation by the underdeveloped countries.

Let us look first at what the United Nations and the specialized agencies are doing to help meet these human needs which are world needs. The preamble of the Charter of the United Nations pledged that body "to employ international machinery for the promotion of the economic and social advancement of all people." Since 1945, the United Nations and the specialized agencies have devoted greater international effort than was ever made before to meet these human needs. A vast network of machinery has been created.

The day-to-day operations of the several U.N. specialized agencies demonstrate what is being done at the "grass roots." Space precludes a comprehensive discussion of the purpose and scope of such specialized agencies as the Food and Agriculture Organization (FAO), the World Health Organization (WHO), and of the U.N. International Children's Emergency Fund—popularly known the world over as UNICEF. These agencies of the United Nations, like the several member agencies of our Community Chests, exist to meet special needs and there is continuing interagency cooperation and coordination.

Let us take an example of coordination, the primary focus of which is the meeting of human need. This example involves the World Health Organization, the Food and Agriculture Organization, and the U.N. International Children's Emergency Fund. In an area in northern India, an area a little smaller than Delaware, with a population of 150,000, a WHO nurse from England with a team of Indian nurses went into the villages to gain the confidence and cooperation of the people. By way of getting acquainted, the nurses treated the children of the village for minor ailments and talked with and gave advice to the mothers. When the confidence of the people was gained, the World Health Organization suggested that the Children's Fund provide financing for a few very simple maternal and child health centers. This financing was provided by the 26-government board of UNICEF. The maternal and

child health centers were opened and are flourishing today.

As a result of this cooperative endeavor in which the Government of India plays a leading role, these nurses have been able to collect "infant blood slides" essential to their basic purpose—malaria control. At the outset, it was found that 50 to 75 percent of the babies contracted malaria during the first year of life. After the cooperative endeavor got under way, DDT was provided by UNICEF for spraying the houses in these villages. One year of spraying with DDT reduced the malaria rate to 2½ percent. Two years of DDT spraying practically eliminated the disease.

With malaria under control, agricultural production increased, land values almost doubled, the areas under cultivation almost tripled. At this stage the Food and Agriculture Organization entered the picture. Nine experts were brought in to assist the villagers with various aspects of agricultural development. Three are working on land reclamation and teaching the farmers to use simple, improvised tools. One is helping in the eradication of cattle diseases. Two are dealing with the development of plants and grasses in the villages. One is working with the people in the tanning of hides, and two are helping with food preservation, canning, and dehydration.

#### **The Children's Fund**

Another example of how the two-thirds of mankind are helping themselves through the medium of the United Nations can be found in the work of the Children's Fund. Created by the General Assembly in 1946, UNICEF has become the catalytic agent in the U.N. system which focuses on the needs of the world's children—the citizens of tomorrow. Since its inception and with the help of WHO, FAO, and the U.N. Social Affairs Department, UNICEF has brought aid to over 42 million children in 64 countries and territories. In many countries it has come to *mean* the United Nations.

UNICEF and WHO have been working together on health programs for children in various parts of the world. Their extensive programs to combat malaria, tuberculosis, and yaws in Asia are at last yielding impressive results. For example, at the end of 1951, 1,500,000 mothers and children benefited from these cooperative antimalaria campaigns. It is anticipated that this cooperative endeavor will reach 5 million mothers and children in 1952. Over 12 million children and

mothers were tested or vaccinated in a joint anti-tuberculosis campaign during 1951. In 1952 the goal is 26,750,000. In the combating of yaws, 2,375,000 were examined or treated in 1951, and the goal for 1952 is 6,400,000.

In India, for example, an antituberculosis campaign is presently under way. To date, 3,723,000 people have been tested and 1,250,000 have been vaccinated. It is expected that within 3 years the total population of children and young adults in that country will have been tested and a large number vaccinated against tuberculosis. The Government of India is carrying out this campaign in cooperation with UNICEF and WHO. The latter is providing personnel to train local teams; UNICEF is making available the necessary supplies and transport; the Government of India is providing the local personnel.

#### **Economic and Social Council**

The Economic and Social Council (Ecosoc) is the keystone of the U.N. structure in the economic and social field. It provides a means for mobilizing and coordinating the resources of the United Nations and its specialized agencies in dealing with the vast complexity of economic and social problems. Mention of a few items on the agenda of the fourteenth session of the Council, which was held from May 20 to August 1 at the U.N. Headquarters in New York, gives some indication of its current scope. Agenda items included "The World Economic Situation," "Economic and Social Development in Underdeveloped Areas," and reports of the various commissions such as Human Rights, Status of Women, and the Social Commission.

The Social Commission, comprised of representatives of 18 governments, held its eighth session at New York from May 12-30. Many of the government representatives who attended are experts in the social field. They included Arthur J. Altmeyer, Commissioner for Social Security in the United States; F. H. Rowe, Director General of the Ministry of Social Welfare of Australia; and G. Vlahov, Deputy in the Health and Welfare Council of the Government of Yugoslavia.

The Social Commission's agenda included consideration of the "Training of Social Welfare Personnel"; "Improvement of Housing with Particular Emphasis on Underdeveloped Areas"; and "A Report on the World's Social Situation." This is

the first report which the United Nations has made in the broad social field.<sup>1</sup>

#### **Advisory Social Welfare Services Program**

Under the Social Commission comes the operating arm of the United Nations in the social field. This is the Advisory Social Welfare Services program. Under this program expert advisers, fellowships, social welfare publications, films, and social welfare seminars are made available to governments upon their request.

In 1951, under this program 25 social welfare experts were sent to countries in Europe, Latin America, and the other continents. One hundred and ninety-one fellowships were provided to nationals of countries all over the world. Forty-nine of these fellows came to the United States.

What happened in northern India in the cooperative endeavor of the World Health Organization, the Food and Agriculture Organization, and the International Children's Emergency Fund, and what has happened as the result of the Advisory Social Welfare Services program are important ways through which the United Nations helps governments to help themselves. It is the application of the twentieth century know-how—the application of the technical assistance concept.

The two-thirds of mankind are also helping themselves under plans of their own devising. It is difficult for us to understand this two-thirds of mankind because we do not know them as individuals. I believe that it will facilitate our understanding if we look at the way one of these financially underdeveloped countries is helping itself. Let us turn for a moment to the word picture given the Department of State by Evelyn Hersey, the Department of State's social welfare attaché stationed at New Delhi, India. Miss Hersey has traveled some 50,000 miles in India and visited hundreds of villages there.

India, which is slightly more than one-third as large as the United States, has two and one-half times as many people who have been fighting a losing battle with starvation for generations. India became an independent nation less than 5 years ago. That independence is to the Indian one of his most precious possessions. Social

<sup>1</sup> For a summary statement on this report by Walter M. Kotschnig, deputy U.S. representative to the U.N. Economic and Social Council, see *BULLETIN* of July 28, 1952, p. 142.



effort in India by individuals and groups has had a long history dating back thousands of years. Almsgiving is a traditional part of the Indian way of life. The joint family system has been the social security system of India for thousands of years. Like other countries whose social philosophy was founded on the joint family system, modern India is evolving new patterns to meet her human needs. The joint family system is breaking up. Industrialization has required parts of families to migrate to cities. As a byproduct, poverty in rural areas is coming about. The lack of facilities outside of the family to care for dependent children, the crippled, and the aged, have given an urgency to the development of new patterns to meet human needs.

### **India's Faith in the Future**

India is studying the social pains and maladjustments of other countries during their past periods of industrial revolution, and is seeking means of avoiding some of these difficulties herself. She is enacting labor laws; establishing a minimum age for employment; providing for the protection of women, including maternity benefits and industrial safety measures.

A brief look at some of the major social problems reveals overwhelming need and a demonstration on the part of the Indians of an almost unbelievable enthusiasm and faith in the future. Consideration is currently being given to the establishment of a Ministry of Social Welfare. In the field of health, the State and Central governments have over-all plans for social services. India has passed a health insurance law but is meeting difficulty in setting up pilot projects. The need for equipment and trained personnel is overwhelming. However, the use of mobile dispensaries and hospitals in outlying areas has begun.

The road to the liquidation of the 85 percent country-wide illiteracy is long and blocked by lack of finances and trained personnel. There are the problems of adult literacy training, vocational education, vocational guidance, and university training. In villages where India's mass literacy training program is under way, some eager adults have learned the fundamentals of reading and writing in 30 days at a cost of about 21 cents per person.

The impact of the twentieth century on India is

bringing about great changes in the status of women and children. In the social action field, India is bringing about the codification of the Hindu personal law which affects the status of women with regard to marriage, divorce, inheritance, and the holding of property. Several cities have juvenile courts, detention homes, and boarding schools. The need for establishing recreational facilities is understood in many parts of India. One recreational organization with some 40,000 members recently celebrated its twenty-fifth anniversary. The 5-year-old Central Government is now discussing a National Children's Act which it is hoped will be adopted by many states.

The bulk of the social work in India is being done by volunteers. However, the full-time social worker is beginning to appear. Volunteers and paid workers are both seeking more training. There are now three graduate schools of social work in India.

India has its National Red Cross, National Boy Scouts, Girl Guides, YWCA, and YMCA. In the last 2 years a penology conference has been formed and an association for adult education. The All-India Women's Conference is a national organization of women interested in social reform. Cities like Madras have formed organizations comparable to our Community Chests. In 1947 the Indian National Conference of Social Work was organized and is making an increasing contribution in the social field. Madras, Bombay, and New Delhi have published directories of social agencies. There is a recognition on the part of the Central Government of the importance of the social-work field, as is evidenced by the fact that the National Government Planning Commission has established a social-welfare section. A National Social Welfare Advisory Council to the National Government ministries has been formed and a National Advisory Committee to schools of social work has been formed by the National Government.

India is in truth making a tremendous effort to meet the human needs of her people. Other countries like India are undertaking similar programs.

### **Meeting the Needs of Underdeveloped Countries**

What are the United States and other countries of the free world doing to help the disadvantaged two-thirds of mankind? The record of our Government is an honorable one. Specifically, the

United States is doing much to help. The support of the United Nations is a declared touchstone of U.S. foreign policy. We are members not only of the United Nations but also of all the specialized agencies, of the Children's Fund, and of organized international effort on behalf of refugees and the victims of the war in Korea. We are a major contributor to the United Nations and the specialized agencies and these other organizations. We have been the largest contributor to the U.N. International Children's Emergency Fund. The Soviet Union and its satellites, although members of the United Nations, are no longer members of the specialized agencies. The Soviet Union, although still a member of the Children's Fund, has not contributed one red ruble. The Children's Fund in the early days gave some 35 million dollars out of its total resources of 165 million dollars for the aid of mothers and children behind the Iron Curtain.

Any discussion of U.S. participation in the world effort to find better ways to meet human needs is not complete without reference to Latin America and the Organization of American States. The United States, recognizing the increased emphasis on social welfare throughout Latin America, has recently accepted a seat on the eight-nation Social Cooperation Commission of the Inter-American Economic and Social Council.

Our Government is also undertaking a vast student exchange program which in this past year has brought approximately 2,685 foreign students to this country.

#### **The Point Four Program**

And last, but by no means least, there is the major effort on the part of our Government under the Point Four Program. In 1949 the President of the United States announced a "bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas." In commenting on this move, Arnold Toynbee, the great English historian, stated, "Point Four is one of our best hopes for the survival of free societies." Point Four has become a reality. By late 1951, projects were in operation in 33 countries, and during the year ending June 30, 1952, the number of persons employed on Point Four projects overseas is expected to reach almost

3,000. As Secretary Acheson stated last January, "Point Four has become a settled part of our foreign policy . . . it is a long-term proposition to help people to help themselves . . . not an overnight miracle drug, not a philanthropy."

The technical assistance concept is not new. The Departments of Commerce, Interior, and Agriculture for more than 15 years have sent experts out to help improve census methods, to give expert geological advice, and introduce new methods of soil conservation. The U.S. Public Health Service and the Children's Bureau have carried on technical assistance programs in Latin America for a quarter of a century.

Our private social agencies and our chief church groups working overseas have often been the vanguard of governmental effort. For example, the National YWCA helped establish the New Delhi School of Social Work. The private foundations, Ford, Carnegie, Macy, Rockefeller, and others, have for years sought and found better ways to meet human needs and are now cooperating closely with governmental effort.

In American industry, the Point Four concept is not new. For example, the meat-packing industry has carried on an international exchange-of-persons program for many years. During a recent informal discussion, a representative of Westinghouse, stationed in Cuba, stated that when young engineers from this country reported for duty in Habana they were not permitted to rush into things in the typical American manner. Their first assignment was to become acquainted with the officials of the company with whom they were to work. Westinghouse learned several years ago that the approach to the Cuban businessman is somewhat different from that made to the American businessman. The psychiatric social worker may call this the establishment of *rapprochement*. Our Ambassador to India, Chester Bowles, terms it the creation and maintenance of the right psychological atmosphere. It is that ingredient—the art (or the science) of human relations—which makes possible the application and acceptance of technical know-how.

The Point Four concept and Point Four techniques are not new or impractical. However, the thing that *is* new is the boldness and the dimension. Ambassador Bowles speaks of it in terms of breadth, scope, and mileage.

### **The Colombo Plan**

Other developed countries in the free world are also assisting the underdeveloped countries. The concept of helping others to help themselves has been accepted as a free-world crusade. In May 1950 representatives of several Commonwealth Governments met in Australia and drew up a technical assistance program, the Colombo Plan, to help South and Southeast Asia. One-sixth of all expenditures for development under the Colombo Plan is to be used for social-service programs. High priority is given to schools and to the resettlement and rehabilitation of displaced persons. Smaller sums have been allocated to build hospitals and dispensaries, new housing, and to effect slum clearance. A review of the Colombo Plan now in operation shows that there have been requests for maternal and child welfare specialists. There is an expressed interest in psychiatric social work training.

Experience shows that these so-called bilateral technical assistance programs are effective. Point Four in India came into being when Prime Minister Nehru and Ambassador Bowles signed last January, on behalf of their respective Governments, an agreement establishing a joint fund under which the United States will make available 50 million dollars to India during the year ending June 30, 1952. The Indians will contribute for the same period at least an equivalent amount in rupees. Of major importance is the community development program, which contemplates the setting up of about 50 development areas in different parts of the country, each of which will reach upwards of 200,000 people in 300 villages.

### **The Indian Cooperative Union**

A recent communication from our social welfare attaché in India illustrates the type of activity taking place throughout that great country with the assistance of Point Four funds. Faridabad was a community of refugees who 4 years ago were hopeless, apathetic, and resentful. A little over 2 years ago a young Indian was sent by the Indian Cooperative Union to that community. He lived and worked with the refugees and encouraged them to help themselves through the organization of cooperatives. The Government sent in contractors to construct houses for 20,000 refugees who were living in tents under

miserable conditions. The natives of the community were mostly small shopkeepers and had never done manual labor. They refused to cooperate with the contractors. With the help of the Indian Cooperative Union, a plan was set up by which the natives could build their own houses. Thus, these men who had never made bricks or constructed houses went to work. The construction of the buildings was completed ahead of schedule. The refugees themselves built their town. They not only built their own houses but they constructed a hospital and set up clinics. Health work is going forward. Schools are established. Private industry from other places in India has been attracted to this new town. There are a myriad of examples like the achievements at Faridabad.

If the United States succeeds in helping India to carry out her own plans so that she sees that the future under a democratic system is not hopeless, then we will have contributed. Hope and faith were expressed by Ambassador Bowles in a recent speech delivered at Bombay:

Can Indian democracy, can democratic techniques, provide a better life for India's millions? We know that Indian democracy can provide fair elections. We know it can provide a secular state. It can give freedom of speech, of worship, and other freedoms. But can it free the Indian people from the shackles of poverty, and sickness, and ignorance? That is the question. The Government of India believes that it can. We believe that it can. India is now intent on proving that it can through its great Five Year Plan. We are intent on helping India—however, we may be able to make India's program of economic and agricultural development more successful.

India is faced with the problems of human need which have accumulated over the centuries. She seeks help as do the other countries who are coming to know that hunger, illiteracy, and early death need not be the only way of life. The manner in which the help is given will determine the degree of success or failure. Our social work know-how—accepting the client where he is; the concept of individual differences; that precious feeling of independence; the hope and courage that go into healthy growth; the right of the individual to lead a personally satisfying life—all are integral parts of action to meet human needs and to insure world peace.

If we who live in the last half of this century have enough courage and enough humility, and if our civilization can produce enough men and women who combine within themselves technical



knowledge and an understanding of human relations—then there is hope. We of the so-called developed one-third of the world do not have a corner on the market of this know-how. We must approach our task with humility. I will illustrate this point by a simple story that I heard not long ago at a meeting of the Executive Board of the Children's Fund:

Some seven centuries ago an Italian social-service worker set out on a journey to the Far East. After his return, he wrote a report which succeeding generations have continued to read eagerly from cover to cover. With exemplary modesty, he stated that he went to *teach* but remained to *learn*. The social-service worker's name, of course, was Marco Polo. His growing respect and admiration for the people whom he felt called upon to teach, but among whom he remained to learn, may teach us also a lesson.

Many of us who have worked closely with people whom we want to help have been impressed by their intelligence, their adaptability, their straight-forward reasoning, and their capacity for helping themselves. Experience shows that programs developed by and with the people they intend to reach have been the most successful.

*The Conduct of Life* by Louis Mumford contains this passage:

Today for the first time the human race as a whole commands resources that have hitherto been perverted or restricted for the benefit of a fortunate minority. In a fashion never so true before, we live by helping one another, and we shall live better by helping each other to the utmost. Now, at least potentially, every person has a claim to the highest goods of life: sensibility, intelligence, feeling, insight. All that goes toward the development of the person are no longer the property of a single ruling group or a chosen nation. This equalized potentiality for life and for development is the true promise of democracy.

• Miss Kernohan, author of the above article, is Assistant Officer in Charge, United Nations Social Affairs, and alternate U.S. representative on the Executive Board of the United Nations International Children's Emergency Fund.

#### **The U.S. in the U.N.**

A weekly feature, does not appear in this issue.

## **A Commentary on the U.N. Children's Emergency Fund**

*Statement by Walter M. Kotschnig  
Deputy U.S. Representative in the U.N. Economic  
and Social Council*

U.S./U.N. press release dated July 24

This is the story of Som Chit Sae Ma, a 7-year-old Thai girl, one of the many children in the world for whom a new life has opened up through the help given by the United Nations. Two years ago Som Chit's sarong caught on fire and her legs were badly burned. Since that time her right leg had been shriveling so that it was possible for her to get about only by hopping on her left leg. She might have gone on that way except for the fortunate chance of having been seen by a social welfare expert assigned by the United Nations to a newly established maternal and child welfare center that had been equipped by UNICEF (United Nations International Children's Emergency Fund). The child was taken to the center and given the necessary care so that she will be able to walk again.

More than one thousand maternal and child welfare centers have been equipped by UNICEF in 16 Asian countries and 900 more are to be equipped. They will serve the community directly and because they are there little girls like Som Chit can get the care they need.

This story can be duplicated among the more than 42 million children in the 64 countries and territories who have received help from UNICEF. The Fund celebrates its fifth birthday on December 11, 1951. Since its inception in 1946, the Children's Fund has brought concrete awareness of the United Nations to a larger segment of the world's population—the underfed and underprivileged who are the first targets of social unrest—than any other U.N. program. It is contributing to the social stability of countries by assisting children, the citizens of tomorrow.

The delegation of the United States supported the resolution unanimously adopted by the Social Commission on the report of the Executive Board of UNICEF. It will do so in this Council. As the years have gone forward, we have noted with appreciation the prevailing spirit of harmony in the transactions of the Executive Board. The 26-government Board recognizes the importance of its assignment—which is to help make the world a better place in which our children may develop into useful citizens.

With the steady growth of child welfare and health programs, the relationship of UNICEF and the specialized agencies and the United Nations itself has become increasingly close. As with any group of organizations which have general objectives in common, although widely varying indi-

vidual assignments, there is an ever-present question of interrelationship and teamwork. The difficulties can and are being overcome by constant attention to the need of maximizing the limited resources of each agency and by insisting that the people at the headquarters of each agency and the people in the field work together on a day-to-day basis.

#### **Extension of UNICEF Programs**

My delegation has worked for and welcomes the extension of UNICEF programs in economically less developed areas. Of the funds allocated at the recent Board meeting, exclusive of emergency programs, over three-fourths were apportioned to Asia, Africa, Latin America, and the eastern Mediterranean countries. This was the first time programs for Africa were considered. We strongly support this development.

In general, the intentions and the accomplishments of the Fund in its long-range work are to be commended. The U.S. delegation to UNICEF will continue to urge that the greatest imagination and skill be used by the Administration of the Fund in planning with and assisting governments in the development of their permanent child-welfare and health services. We believe further improvements can be made—a better balance among the various aspects of child care achieved. We will continue to urge that more attention be given to child nutrition and welfare programs in contrast to the present heavy weighting on child health programs. We anticipate that the work on an integrated program for meeting the needs of children, which is at present being undertaken by the working group of the Administrative Committee on Coordination (Acc) will be of practicable assistance in further developing the emphasis of the UNICEF program.

We believe in the distinguishing characteristic of the Fund—the spending of its resources primarily for supplies. These supplies are concrete aids to governments in the development of their child-care services. However, we will continue to question the wisdom of the Fund's spending even a portion of its limited resources for the establishment of plants for the production of antibiotics and insecticides. It is our opinion that such capital expenditures—worthy as they may be—are not directed primarily to mothers and children, and so are not appropriate charges upon the Fund's resources.

We continue to concur in the wisdom of resolution 417 of the fifth session of the General Assembly which provides flexibility in meeting emergency situations. UNICEF is a tangible resource for countries faced with emergencies. Within a matter of days after the outbreak of floods in Italy, UNICEF took emergency action to

speed relief to 70,000 children in the flood-stricken Po River Valley. Some 16,000 mothers and children in the Philippines, who were victims of volcanic eruptions and typhoons, received emergency assistance in December of last year. With reference to the report before us, let me say that my delegation joined with others at the Board meeting in expressing the understanding that the Director of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWAPRNE) would recommend to the next regular session of the General Assembly, the assumption by that organization of the total feeding budget for Palestine refugee mothers and children beginning December 1, 1952.

We note with satisfaction that the resolution before us recommends that there be increased effort to make known the achievements of UNICEF in its world-wide collaboration with the technical services of the U.N. and the specialized agencies. It is our hope that the working group of the Acc will make concrete proposals to the Social Commission on the further development of an integrated program for meeting the needs of children so that these proposals can be considered when the future of UNICEF is examined in 1953 in accordance with resolution 417 (V).

#### **U.S. Contributions to UNICEF**

Finally, we note that this resolution calls the attention of government and private individuals to the urgent need for additional funds. In this connection the U.S. Congress passed, and the President has approved, legislation permitting further contributions to UNICEF through December 31, 1953, of not to exceed \$16,481,000 to the extent that funds are appropriated. This legislation is permissive only. An appropriation was passed by the Congress in the final days of the last session, and approved by the President, in the amount of \$6,666,667 under this authorization. The balance of \$9,814,333 authorized but not appropriated may be available for contribution if the Congress enacts, and the President approves, additional appropriations. This contribution of \$6,666,667, when made, will represent one-third or less of contributions from governments including local contributions of governments for the benefit of children within their territories. The cumulative U.S. contribution of \$87,416,667 which has thus far been made available by the U.S. Congress will represent over 70 percent of total contributions of governments to the central account of the Fund.

It is our hope that other governments, within the limits of their resources and commitments, will be able to continue their support of UNICEF so that this worthwhile humanitarian work can go forward in 1953 without interruption.

## Famine Expert Appointed to FAO

Press release 680 dated August 29

The Director General of the Food and Agriculture Organization of the United Nations (FAO) recently requested the United States to nominate an expert experienced in the international handling of foodstuffs for appointment to a Working Party, which the FAO Council has established to study proposals for dealing with emergency famine conditions. The U.S. Government has nominated Carl C. Farrington to serve on this Working Party. The group will meet under the auspices of the FAO at Rome, Italy, September 1-15, 1952.

The possibility of increasing international cooperation in dealing with famine conditions has been under discussion within the U.N. Economic and Social Council and the FAO for some time. In June 1952, in response to a recommendation of the sixth FAO Conference held at Rome in November and December 1951, the FAO Council considered the problem. It was decided to appoint a Working Party consisting of five independent experts to study the problem further, in line with the discussions that had taken place. Accordingly, the Director General of the FAO has requested two exporting countries, two importing countries, and one country interested in both exporting and importing to nominate experts to serve on the Working Party. Governments other than the United States which have been approached by the Director General are Australia, for an expert experienced in the acquisition, storing, transport, and disposal of cereals and other goods; France, for an economist experienced in the problem of international markets and marketing; India, for an expert experienced in the handling and provision of food supplies to meet acute food shortage or actual famine conditions; and the United Kingdom, for an expert experienced in the problems of finance, of balance of payments, and other exchange questions arising from international trade in commodities.

## Congress of Onomastic Sciences

Press release 675 dated August 28

More than 150 delegates from 22 countries, including the United States, attended the Fourth International Congress of Onomastic Sciences held at Uppsala, Sweden from August 18 to 21, 1952. Sweden, which is recognized as a leader in the advancement of scientific methods in the field of toponymics (place names), has over a period of 50 years developed standard practices for field work and a very thorough and detailed system of recording place-name information which were of great interest to the Congress.

Under the auspices of the Government of

Sweden, delegates participated in a 100-mile field trip through the Province of Uppland, one of the areas in which Swedish experts have done field work in place names, and in a tour of the Royal Swedish Toponymic Commission, which has its archives on the campus of the University of Uppsala.

The U.S. Government was represented at the Congress by Allen Belden, Chief of the Research Branch, Division of Geography, Department of the Interior, and John G. Mutziger, Chief of the Linguistics and History Section, Division of Geography, Department of the Interior.

The delegation of the United States introduced a resolution, which was unanimously adopted, to the effect that the proceedings of this Congress and the papers and proceedings of future Congresses will use the place names which are recognized as the locally-preferred and official names. This resolution, which is an important step toward the development of consistent international practice by experts in the field, embodies a principle fundamental to the work of this and other governments in the standardization of geographic names for use in map making.

The purpose of this series of Congresses is to provide experts on the scientific study of nomenclature with an opportunity to discuss the latest developments in the fields of toponymy (place names) and anthroponomy (family names), and to make cooperative agreements for stimulating consistent work in these fields. During the 3 days of the session which were devoted to scientific papers, delegates to the Fourth Congress considered tasks and methods of onomastics, cultural currents, and questions of settlement, European place names and their Greek and Latin forms, pre-Indo-European place names in Europe, cartographic representation of types of European place names, substitution of Christian personal names for pre-Christian names, and surnames and nicknames relating to trades.

The Congress of Onomastic Sciences was formerly known as the Congress of Toponymy and Anthroponomy. Its first two sessions were held at Paris in 1936 and 1947. The United States was officially represented at the Third Congress, held at Brussels in 1949. The Fifth Congress will be held in 1955 on the campus of the University of Salamanca, Spain, at the invitation of the rector of the University of Salamanca.

### THE DEPARTMENT

#### Appointment of Officers

Stanley D. Metzger as Assistant Legal Adviser for Economic Affairs, effective August 3.



## THE FOREIGN SERVICE

### Legations Raised to Embassy Rank

The Government of the United States on August 27 announced the elevation of its Legations at Lebanon, Syria, and the Hashemite Kingdom of Jordan to the status of Embassies.

### Appointment of Officers

The White House on August 25 announced the appointment of U.S. Ambassador to Czechoslovakia Ellis O. Briggs as Ambassador to the Republic of Korea.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Health and Sanitation, Cooperative Program in Haiti, Additional Financial Contributions.** Treaties and Other International Acts Series 2376. Pub. 4503. 4 pp. 5¢.

Agreement between the United States and Haiti—Signed at Port-au-Prince Aug. 23 and Sept. 28, 1951; entered into force Sept. 28, 1951.

**Health and Sanitation, Cooperative Program in Bolivia.** Treaties and Other International Acts Series 2377. Pub. 4504. 5 pp. 5¢.

Agreement between the United States and Bolivia supplementing agreement of Sept. 18 and Oct. 7, 1950—Signed at La Paz July 24 and Sept. 17, 1951; entered into force Oct. 16, 1951.

**Education, Cooperative Program in Nicaragua, Additional Financial Contributions.** Treaties and Other International Acts Series 2381. Pub. 4508. 4 pp. 5¢.

Agreement between the United States and Nicaragua—Signed at Managua Oct. 23 and Nov. 5, 1951; entered into force Nov. 5, 1951.

**Economic Cooperation With Yugoslavia Under Public Law 472, 80th Congress, as Amended.** Treaties and Other International Acts Series 2384. Pub. 4512. 21 pp. 10¢.

Agreement between the United States and Yugoslavia—Signed at Belgrade Jan. 8, 1952; entered into force Jan. 8, 1952.

**Health and Sanitation, Cooperative Program in Paraguay.** Treaties and Other International Acts Series 2386. Pub. 4535. 3 pp. 5¢.

Agreement between the United States and Paraguay—Signed at Asunción June 30, 1948; entered into force July 30, 1948.

**Health and Sanitation, Cooperative Program in Paraguay.** Treaties and Other International Acts Series 2387. Pub. 4536. 4 pp. 5¢.

Agreement between the United States and Paraguay—Signed at Asunción July 29 and Aug. 5, 1949; entered into force Aug. 19, 1949.

**Health and Sanitation, Cooperative Program in Paraguay, Additional Financial Contributions.** Treaties and Other International Acts Series 2389. Pub. 4537. 5 pp. 5¢.

Agreement between the United States and Paraguay—Signed at Asunción Sept. 10 and Oct. 29, 1951; entered into force Oct. 29, 1951.

**North Atlantic Treaty, Accession of Greece and Turkey.** Treaties and Other International Acts Series 2390. Pub. 4541. 10 pp. 5¢.

Protocol between the United States and Other Governments—Opened for signature at London Oct. 17, 1951; entered into force Feb. 15, 1952.

**Supplement to 1951 Biographic Register of the Department of State, April 1, 1952.** Department and Foreign Service Series 26. Pub. 4545. xii, 139 pp. 55¢.

This issue is a supplement to the complete *Register* dated April 1, 1951. It includes full biographies of new appointees and any changes that have occurred during the year.

**Security Treaty Between the United States, Australia, and New Zealand.** Treaties and Other International Acts Series 2493. Pub. 4608. 8 pp. 5¢.

Signed at San Francisco September 1, 1951; entered into force April 29, 1952.

### Check List of Department of State Press Releases: Aug. 25-30, 1952

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington, 25, D. C.

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658	8/25	Belgian Custodial Agreement
659	8/25	Greenup to OAS (rewrite)
660	8/25	Bohan: Joint Commission (rewrite)
†661	8/25	Anderson: Prisoners of war
*662	8/25	Ecuador: President's inauguration
663	8/25	Denial of Dept. influence at AHEPA
664	8/25	Briggs: Amb. to Korea (rewrite)
*665	8/25	Exchange of persons
†666	8/25	Anderson: Statement on appointment
667	8/26	German property claims
*668	8/26	Foreign Service retirements
†669	8/27	Broadcasting study group (ITU)
*670	8/27	Exchange of persons
671	8/27	Syria and Jordan to embassy rank
†672	8/27	Anderson: Repatriation plea
673	8/28	Compton: Crusade of ideas
674	8/28	Point 4 tour of Latin America
675	8/28	Congress of Onomastic Sciences
*676	8/28	Iverson to Ford Foundation
*677	8/28	German property agreement
678	8/28	East German bank deposits
679	8/29	Text of German property agreement
680	8/29	Famine expert to Fao
†681	8/29	Venezuela trade agreement
682	8/30	U.S., British message to Iran

†Held for a later issue of the *Bulletin*.

\*Not printed.

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